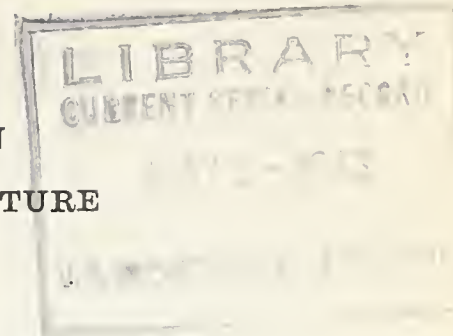


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FOOD DISTRIBUTION ADMINISTRATION  
UNITED STATES DEPARTMENT OF AGRICULTURE



## PART 1460—FATS AND OILS

[FDO 42]

## RESTRICTIONS ON USE

Pursuant to the authority vested in me by Executive Order No. 9280, dated December 5, 1942, and in order to assure an adequate supply and efficient distribution of fats and oils to meet war and essential civilian needs, *It is hereby ordered*, As follows:

1460.1 *Use of fats and oils.* (a) *Definitions.* When used in this order, unless otherwise distinctly expressed or manifestly incompatible with the intent thereof:

(1) The term "fats and oils" means all the raw, crude, refined, and pressed fats and oils, whether vegetable, animal, fish, or other marine animal, their by-products and derivatives, including grease (lard) oil, sulfonated and similarly processed fats and oils, fatty acids, and lard and rendered pork fat, but not including cocoa butter, butter, wool greases, essential oils, tall oil, mineral oils, and vitamin-bearing oils derived from fish or other marine animal livers or viscera.

(2) The term "person" means any individual, partnership, corporation association, or other business entity.

(3) The term "manufacturer" means any person who uses any fats or oils in the manufacture of any finished product, and shall include all other persons directly controlling or controlled by such person and all persons under direct or indirect common control with such person. The term shall not include any crusher, renderer, refiner, or other processor except as and to the extent that his operations result in the production of a finished product, and shall also not include any person who uses fats and oils in the home in the preparation of food for household consumption. Blending alone shall not constitute a person a manufacturer.

(4) The "inventory" of a manufacturer at any time shall include all fats and oils held or controlled by him and all fats and oils purchased by him for future delivery.

(5) The term "finished product" means any product of a manufacturer produced for sale as his finished product and carried on his books as his finished product. Other than for the purposes of paragraph (d) hereof, "finished product" shall not include:

(i) grease (lard) oil; (ii) sulphonated or similarly processed fat or oil; (iii) fatty acids; (iv) lard or rendered pork fat; (v) any fat or oil product intended for sale to another manufacturer for further processing in the manufacture of, or for inclusion in, any product (excepting a product falling within paragraph (a) (5) (vi) hereof); (vi) any edible product of which a fat or oil is not the principal ingredient; (vii) any edible product produced by any hotel or restaurant for consumption on the premises; (viii) any medicinal preparation, including vitamin preparations, other than medicated soap; (ix) olive oil; or (x) poultry fat.

(6) The term "crusher" means any person who presses, expels, or extracts oils from any seed, bean, nut, or corn or other oil-bearing materials.

(7) The term "principal ingredient" as used in paragraph (a) (5) (vi) hereof means the largest single ingredient by weight, subject to the qualification that mayonnaise and salad dressing are to be considered products of which a fat or oil is not the principal ingredient regardless of the fat or oil composition thereof in the particular case.

(8) The term "soap" means the product commonly known by that term, including all types of shaving soap and cream, excluding, however, soap used for non-detergent purposes (including the processing of textiles)

(9) The term "base period use" means the average use during the corresponding calendar quarter of the years 1940 and 1941.

(10) The term "Director" means the Director of Food Distribution, United States Department of Agriculture, or any employee of the United States Department of Agriculture designated by such Director.

(b) *Restrictions on manufacture.*

(1) No manufacturer, except as provided in paragraph (b) (5) hereof, shall in any calendar quarter use or consume any fat or oil in any class of use listed in Schedule A annexed hereto in a quantity in excess of the percentage specified in such Schedule A of his average quarterly use or consumption of fats and oils in such class of use during the corresponding calendar quarters of the two years, 1940 and 1941.

(2) If any manufacturer does not, in any calendar quarter, use or consume the quantity of fat or oil permitted by para-

graph (b) (1) hereof, the unused part of his quota for such quarter shall, for the purposes of such paragraph (b) (1), be carried forward and added to his permitted quota for the succeeding quarters: *Provided, however*, That any unused part of his permitted quota for any prior quarter shall not be carried forward beyond June 30, 1943, and beyond the 30th day of June of each year thereafter.

(3) For the purpose of determining the quantity of raw "foots" which may be used or consumed, use or consumption shall be calculated on the basis of total fatty acid content.

(4) The restrictions on the use or consumption of fats and oils imposed hereby are imposed with respect to the use or consumption of fats and oils in the aggregate, and such restrictions are not to be construed to limit a manufacturer to the use or consumption of the same fat or oil used or consumed by him in the base period.

(5) Nothing in paragraph (b) (1) hereof shall restrict:

(i) The use or consumption of fats and oils in any calendar quarter by any manufacturer whose aggregate use or consumption of fats and oils in such period is less than 6,000 lbs.

(ii) The use of fats and oils in the manufacture of any edible product or soap delivered or to be delivered to:

(a) the Army of the United States (including post exchanges outside the continental United States);

(b) the Navy of the United States (including the Coast Guard and Marine Corps, and including ships' service stores outside the continental United States);

(c) the War Shipping Administration;

(d) the Panama Railroad Company;

(e) any agency of the United States for delivery to or for the account of the government of a foreign country pursuant to the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States" (Lend-Lease Act);

(f) the Food Distribution Administration for export, or for shipment to any territory or possession of the United States;

(g) any wholesaler or jobber for delivery to any of the persons or agencies named in this paragraph (b) (5) (ii) hereof;

(h) any person, feeding, under contract (directly or indirectly), personnel of the Army, Navy, Marine Corps, or



Coast Guard, for use in the preparation of meals for such personnel;

(i) any person using an edible product in the preparation of meals to be served on vessels operated under the War Shipping Administration; or

(j) another manufacturer for use in the manufacture of any edible product to be delivered to any of the persons or agencies named in this paragraph (b) (5) (ii) hereof.

Deliveries to the persons named in paragraphs (b) (5) (ii) (g), (h), (i), and (j) hereof shall be non-quota only if supported by a certificate issued to the person having the prime contract with the agencies named in paragraphs (b) (5) (ii) (a), (b), (c), (d), (e), and (f) hereof. This certificate shall be issued by the Quartermaster General of the Army, the Chief of the Bureau of Supplies and Accounts or the Chief of the Bureau of Naval Personnel of the Navy, the Commandant of the United States Coast Guard, the Quartermaster of the United States Marines, the Administrator of the War Shipping Administration, the Vice President of the Panama Railroad Company, the Director, or the duly authorized representative of any of them. It shall specify the name of the manufacturer supplying such fats and oils or soap, and shall state that the final products are for direct Army, Navy, Coast Guard, or Marine Corps issue or for sale in post exchanges or ships' service stores outside the continental United States, for contract feeding of Army, Navy, Coast Guard, or Marine Corps personnel, for consumption on ships operated under the War Shipping Administration, for consumption in the Panama Canal Zone, for export or shipment to any territory or possession of the United States, or for delivery pursuant to such Lend-Lease Act; and that the delivery or manufacture of such products will require a stated quantity of fats and oils or soap. The prime contractor shall furnish copies of such certificate, certified by him to be true and correct, to the persons from whom he obtains such products, and such certified copies shall be transmitted through trade channels to the manufacturer named thereon.

(iii) The use of fats and oils in the manufacture of all protective coatings, coated fabrics, linoleum, oilcloth, and felt base floor coverings, delivered or to be delivered to, or used on or incorporated in material and equipment delivered or to be delivered to, the Army, Navy, Marine Corps, or Coast Guard of the United States, to the United States Maritime Commission, or to the United States War Shipping Administration, or delivered pursuant to the Act of March 11, 1941 (Lend-Lease Act), and for the military, naval, and maritime requirements of the United Nations: *Provided, however*, That any manufacturer claiming exemption under this paragraph (b) (5) (iii) hereof shall file War Production Board Form PD-600, or such other form or forms that may be prescribed by the Director, and receive authorization for such exemption from the Director. Forms may be obtained at lo-

cal field offices of the War Production Board or the Food Distribution Administration of the United States Department of Agriculture. Five copies shall be prepared, four of which shall be forwarded to the Director of Food Distribution, United States Department of Agriculture, Washington, D. C., Ref. FD 42; the fifth to be retained in the manufacturer's files. For the purpose of this order, if War Production Board Form PD-600 is used, it shall be completed in the manner prescribed therein, subject to the following special instructions:

(a) Under the heading Table 1, change to "Application for exemption", instead of "Application for delivery and/or use required for your next month's operations".

(b) In the heading, under "Name of chemical", specify linseed oil, sardine oil, or other kind of fatty oil or fatty acid required; under "WPB order No." specify FD 42; under "Name of company", state name; under "Mailing address", state mailing address; under "Delivery destination", leave blank; under "Supplier with whom this order is placed", leave blank; under "Shipping point", leave blank; under "Unit of measure", state pounds.

(c) Under column 1, specify grade required, for example: boiled linseed oil, soyabean oil, herring oil, fatty acid, dehydrated castor oil.

(d) Under column 2, specify the quantity for each kind or grade of fatty oil required and the end use for which the finished coating or material is to be used.

(e) Under column 3, specify paint, varnish, lacquer, enamel, oilcloth, synthetic resin (specify type).

(f) Under column 4, specify ultimate use of product (for example, airplane, warship, rifle, merchantship, anti-aircraft gun, military trucks).

(g) Under column 9, specify contract number and award date.

(h) Under column 10, specify procurement agency, such as Signal Corps, United States Army, Signal Corps, United States Marine Corps, Naval Bureau of Ordnance, Quartermaster General of the Army, Food Distribution Administration.

(i) In table 2 under column 11, list each grade of each type of fatty oil or fatty acid.

(j) Column 13, fill in.

(k) Column 14, show the quantity of each grade for which exemption is claimed.

(l) Column 15, show quantity of each grade on hand at the end of the month preceding date of filing.

(m) Columns 15-a, 15-b, 15-c, leave blank.

(n) Column 16, state quantity of each grade used applying against your quota.

(o) In table 3, under column 17, each applicant on his first request for exemption shall state his allowable quota on the basis of 70 percent of the base period use for the first calendar quarter of 1943, and the allowable quota for the second quarter of 1943 (April 1 to June 30) on the basis of an allowed quota of 50 percent of the base period use.

(iv) The use of fats and oils in the manufacture of products to be exported (a) to the Dominion of Canada where such Dominion has granted a license for the import of such products, or (b) to any other country pursuant to any export license issued by the Board of Economic Warfare.

(6) For the purposes of determining a manufacturer's permissible use or consumption under paragraph (b) (1) hereof there shall be excluded from the calendar quarter during which use or consumption is hereby limited, any fat or oil used in the manufacture of the products referred to in paragraph (b) (5) (ii), (iii), and (iv) hereof, and there shall be excluded from the base period use any fat or oil used by such manufacturer in such base period in the manufacture of any product delivered by him to the Army or Navy of the United States or delivered by him, as a prime contractor, pursuant to the Lend-Lease Act, or exported to the Dominion of Canada or to any other country, or shipped to any territory or possession of the United States except Hawaii, either directly or through wholesalers or jobbers.

(7) A person who acquires all the manufacturing facilities of another person in a particular class of use shall thereby become entitled to the quota of such other person in such class of use, whether or not he continues to operate such facilities in whole or in part: *Provided, however*, That he shall within 30 days following such acquisition inform the Director of the facilities acquired, their location, whether or not operation will be continued in the same or another location, and the amount of quota which he claims to have acquired in each class of use.

(8) Fats and oils processed by a person pursuant to toll agreement shall be chargeable, not to the quota of the processor, but to the quota of the owner of such fats and oils: *Provided, however*, That title to the product shall remain in the hands of the owner of the fats and oils and that such owner shall market, invoice, and collect for such product through his own organization.

(9) Each manufacturer of soap may, in any calendar quarter, substitute, in whole or in part, for the fats and oils (other than foots made from domestic vegetable oils or the fatty acids made from such foots) which he would be entitled to use under Schedule A in such manufacture, foots made from domestic vegetable oils or the fatty acids made from such foots. The quantity of such foots or their fatty acids which may be used or consumed shall be 100 percent of the base period use of fats and oils.

(c) *Restrictions on deliveries of linseed oil.* (1) No person selling linseed oil (whether crushed or processed by him or purchased for resale) shall deliver in the aggregate to persons other than manufacturers during any calendar quarter more linseed oil (whether raw or processed) than 50 percent of the average quarterly amount of linseed oil so delivered by him during the cor-



responding calendar quarters of the two years, 1940 and 1941.

(2) In reducing deliveries pursuant to paragraph (c) (1) hereof, no person shall make discriminatory cuts as between customers, whether new or old.

(3) This order shall not restrict the delivery by any person of linseed oil to the Army, Navy, Marine Corps, or Coast Guard of the United States, to the United States Maritime Commission, or pursuant to the Act of March 11, 1941 (Lend-Lease Act), and any amount so delivered by him shall be excluded both from the base period use on which his quota is based and from the period or quarter during which future deliveries are hereby limited.

(d) *Restrictions on processing and inventories.* (1) No person shall accept delivery of fats and oils for his raw material inventory if the fats and oils in his raw material inventory are, or would through such acceptance become, in excess of a practicable working minimum inventory. This paragraph (d) (1) does not, however, restrict the inventories of any fat or oil in the form in which it is first produced by the crusher or renderer of any vegetable oil foots or their fatty acids.

(2) No manufacturer shall hereafter change the condition of any fat or oil in his raw materials inventory, or add any additional materials thereto, except to the extent necessary to store any such fat or oil in his raw materials inventory in a form necessary to prevent deterioration thereof, or except to put such fats or oils into process for the manufacture of his products subject to the limitations of paragraph (d) (3).

(3) No manufacturer shall hereafter increase the rate at which fats and oils are put into process by him, except to the extent necessary to meet the required deliveries of his finished products within the limitations established by this order and to maintain only a practicable minimum working inventory of such finished products. The term "practicable minimum working inventory" as used in paragraph (d) (1) and (3), shall be strictly construed. The mere fact that the turn-over has increased, or that materials are difficult to obtain, does not justify maintaining inventories above the minimum at which his operations can be continued.

(e) *Prohibited uses of fats and oils.* (1) No person shall use or consume any butter or any of the following fats and oils in any class of use listed in Schedule A other than the manufacture of margarine or the manufacture of other edible finished products:

Lard  
Rendered pork fat  
Oleo oil  
Oleo stearin  
Oleo stock  
Edible tallow  
Edible olive oil  
Peanut oil  
Sunflower oil  
Sesame seed oil  
Raisin seed oil  
Tomato seed oil

Cottonseed oil  
Corn oil  
Soyabean oil  
Whale oil (excluding sperm)

(2) No person shall use or consume, in the manufacture of soap, any sardine oil, pilchard oil, or herring oil.

(3) Nothing in paragraphs (e) (1) or (e) (2) hereof shall restrict the use of any fat or oil in any inedible product or soap where and to the extent that:

(i) the quantity of any such fat or oil owned by such person on December 31, 1942, is less than 60,000 lbs.;

(ii) any such fat or oil is used in the manufacture, preparation, or finishing of protective coatings and coated fabrics under the provisions of paragraph (b) (5) (ii) hereof, or in the manufacture of USP XII soap for medicinal use; or soft soap, hospital grade, according to United States Army specifications No. 4-1027A (February 5, 1941) for delivery to the United States Army;

(iii) any such fat or oil is a by-product or residue (except stearin) of the permitted processing of any fat or oil; or consists of tank bottoms of any fat or oil;

(iv) such fat or oil consists of soyabean oil and is used either in the manufacture of synthetic resins or as a plasticizer in the manufacture of lacquers and coated fabrics, exclusive of linoleum and oil cloth; or

(v) the use by any person of any such fat or oil in any class of use which has been specifically authorized by the Director, on such person's establishing to the satisfaction of the Director by letter addressed to the Director of Food Distribution, United States Department of Agriculture, Washington, D. C., Ref: FD 42, that such fat or oil was owned by him on December 31, 1942, and was on such date unfit for edible use.

(f) *Existing contracts.* The restrictions of this order concerning delivery, acceptance, use, processing, and consumption of fats and oils shall be observed without regard to existing contracts or any rights accrued or payments made thereunder.

(g) *Records and reports.* (1) Each manufacturer, who in any calendar quarter uses or consumes more than 6,000 lbs. of fats and oils in the aggregate, shall file with the Bureau of Census, Washington, D. C., each of the following reports in the following manner.

(i) He shall file on or before the 20th day of each month Bureau of Census Form BM 1, or such other form or forms as may be prescribed by the Director, showing the consumption of fats and oils during the preceding month; and

(ii) He shall file on or before the 20th day of the second month of the succeeding quarter, Bureau of Census Form BM 2, or such other form or forms as may be prescribed by the Director, showing the consumption of fats and oils during the preceding quarter.

(2) Every manufacturer and every other person subject to this order shall

maintain such records for at least two years (or for such other period of time as the Director may designate) and shall execute and file such reports upon such forms and submit such information as the Director may from time to time request or direct, and within such times as he may prescribe.

(h) *Audits and inspections.* Every person subject to this order shall, upon request, permit inspections, at all reasonable times, of his stocks of fats and oils and premises used in his business, and all of his books, records, and accounts shall, upon request, be submitted to audit and inspection by the Director.

(i) *Petition for relief from hardship.* Any person affected by this order who considers that compliance herewith would work an exceptional and unreasonable hardship upon him may petition in writing (in triplicate) for relief to the Director, setting forth all pertinent facts and the nature of relief sought. The Director may thereupon take such action as he deems appropriate and such action shall be final.

(j) *Violations.* Any person who willfully violates any provision of this order or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this order or willfully conceals a material fact concerning a matter within the jurisdiction of any department or agency of the United States may be prohibited from receiving or making further deliveries of any material subject to allocation; and such further action may be taken against him as the Director deems appropriate, including recommendations for prosecution under Section 35a of the Criminal Code (18 U.S.C. 1940 ed. 80), under paragraph 5 of Section 301 of Title III of the Second War Powers Act, and under any and all other applicable laws.

(k) *Communications to the Department of Agriculture.* All reports required to be filed hereunder and all communications concerning this order shall, unless otherwise directed, be addressed to: Director of Food Distribution, United States Department of Agriculture, Washington, D. C., Ref.: FD 42.

(l) *Effect of other orders.* Insofar as any other order of the Secretary of Agriculture or the Director, heretofore or hereafter issued, limits or curtails to a greater extent than herein provided the use, acquisition, or disposition of any fat or oil, the limitations of such other order shall control.

(m) *General Preference Order M-71 superseded.* This order supersedes in all respects General Preference Order M-71<sup>1</sup> of the War Production Board except that as to violations of said order or rights accrued, liabilities incurred, or appeals taken under said order prior to the effective date hereof said General Preference Order shall be deemed in full force and effect for the purpose of sustaining any proper suit, action, or other

<sup>1</sup> 8 F.R. 315.



proceeding with respect to any such violation, right, or liability. Any appeal pending under said General Preference Order shall be considered under paragraph (i) hereof.

(n) *Territorial extent.* This order applies to all persons in the United States, its territories and possessions, and the District of Columbia.

(o) *Bureau of the Budget approval.* The reporting requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. Subsequent specific record keeping or reporting requirements by the Director will be subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(p) *Effective date.* This order shall be effective on April 1, 1943.

(E.O. 9280, 7 F.R. 10179)

Issued this 31st day of March 1943.

[SEAL]

CLAUDE R. WICKARD,  
Secretary of Agriculture.

#### SCHEDULE A

Class of use:	Permitted percentage
Manufacture of margarine-----	180
Manufacture of other edible finished products, including shortening-----	88
Manufacture of soap, exclusive of soap made from domestic vegetable oil foots or the fatty acids from such foots-----	84
Manufacture of soap from foots made from domestic vegetable oils or the fatty acids from such foots-----	100

Class of use—Continued	Permitted percentage
Manufacture of paints, varnishes, lacquers and all other protective coatings, except water paints-----	50
Manufacture of water paints (on the basis of one pound of oil for each gallon of paste water paint manufactured during the base period and one pound of oil for each eight pounds of dry casein or dry protein paint manufactured during the base period)-----	50
Manufacture of linoleum, oilcloth, and felt base floor coverings-----	50
Manufacture of oilcloth (for all purposes other than floor coverings) and all other coated fabrics-----	50
Manufacture of printing inks, including lithographing, offset, silk screen, and other processing inks-----	90

Press Release Immediate:  
March 31, 1943.

More definite exemption of food and industrial products needed by the Army, Navy, and other war agencies from quotas on fats and oils is the major new provision of Food Distribution Order No. 42, which Secretary Wickard issued today to replace War Production Board Order M-71.

Purpose of the order, which becomes effective April 1, 1943, is to conserve the limited supplies of fats and oils for the most essential military and civilian needs by controlling their distribution and limiting their use in various products. The order will be administered by the Food Distribution Administration.

Quotas for the use of fats and oils in making margarine, shortening, other edible products, soap from primary fats and oils, and printing ink continue unchanged. Due to the exemption of direct war needs from the quotas, however, the previous quotas on paint, varnish, other protective coatings, floor coverings, oilcloth, and other coated fabrics have been reduced from 70 percent to 50 percent, and the quota for soap made from domestic vegetable oil foots and fatty acids from 150 to 100 percent.

The order also reduces the quota on deliveries of linseed oil to all except manufacturers from 70 percent to 50 percent of the deliveries during the base period, 1940 and 1941.

As revised, the order makes more definite provision for edible products, soap, and protective coatings required by the Army, Navy, War Shipping Administration, and Allies. One new provision grants manufacturers quota exemption on the fats and oils used to make soap for later delivery to the Army, Navy, or War Shipping Administration. Previously the exemption applied only after the products had been delivered. This provision will permit the prompt handling of military requirements.

A similar provision applies to protective coatings, including paints, varnishes, linoleum and other coated fabrics made for the armed forces and the United Nations, but manufacturers must obtain authorization for the exemption from the Director of Food Distribution. In another change, the order extends the quota exemption on edible products made for the Army, Navy, and certain other war agencies to cover those delivered through wholesalers and jobbers,

or used by contractors in feeding Army and Navy personnel.

The revised quotas for the use of fats and oils in producing civilian goods, based on the manufacturer's average use during 1940 and 1941, are: margarine, 180 percent of base period; other edible products, including shortening, 88 percent; soap, 84 percent of primary fats and oils, and 100 percent of domestic vegetable oil foots; paints, varnishes, lacquers, water paints, and other protective coatings, 50 percent; linoleum, oilcloth, and felt base floor coverings, 50 percent; other oilcloth and coated fabrics, 50 percent; printing inks, 90 percent.

Although domestic production of fats and oils—chiefly soybean, peanut and linseed oils, and lard—has increased, the war has reduced imports and increased the demand for all fats and oils both in the United States and other United Nations. Total consumption in the United States has increased from a pre-war average of 9 billion pounds to over 10 billion pounds in 1942. About two-thirds of this amount is normally consumed as food and the other one-third by industry, chiefly for soap and drying oils.



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WAR FOOD ADMINISTRATION DEPARTMENT OF AGRICULTURE

[FDO 42, Amdt. 1]

PART 1460—FATS AND OILS

RESTRICTIONS ON USE

Food Distribution Order 42 (8 F.R. 4147) issued by the Secretary of Agriculture on March 31, 1943, is hereby amended to read as follows:

§ 1460.1 *Use of fats and oils*—(a) *Definitions.* (1) "Fats and oils" means all the raw, crude, refined, and pressed fats and oils whether vegetable, animal, fish, or other marine animal, their by-products and derivatives, including grease (lard) oil, sulfonated and similarly processed fats and oils, fatty acids, and lard and rendered pork fat, but not including cocoa butter, butter, wool greases, essential oils, tall oil, mineral oils, and vitamin bearing oils derived from fish or other marine animal livers or viscera.

(2) "Person" means any individual, partnership, association, business trust, corporation, or any organized group of persons whether incorporated or not.

(3) "Manufacturer" means any person who uses any fats or oils in the manufacture of any finished product, and shall include all other persons directly controlling or controlled by such person and all persons under direct or indirect common control with such person. The term shall also include a soap converter. Soap converter means any person who uses soap made by others as a raw material, and by addition of other materials, including, but not limited to, silicates, phosphates, abrasives, borax, corn meal, and soda ash, makes a finished product which is sold for detergent uses. The term "soap converter" shall not include those persons who merely add small amounts of color or perfume to the original soap, or persons who merely dissolve paste or other soaps in water to make liquid soaps without adding other non-soap detergent materials. The term "manufacturer" shall not include any crusher, renderer, refiner, or other processor except as and to the extent that his operations result in the production of a finished product, and also shall not include any person who uses fats and oils in the home in the preparation of food for household consumption. Blending alone shall not constitute a person a manufacturer.

(4) The "inventory" of a manufacturer at any time shall include all fats and oils held or controlled by him and all fats and oils purchased by him for future delivery. The inventory of a soap

converter also shall include his supply of unprocessed soap and soap purchased by him for future delivery.

(5) "Finished product" means any product of a manufacturer produced for sale as his finished product and carried on his books as his finished product. Other than for the purposes of paragraph (d) hereof, "finished product" shall not include:

- (i) Grease (lard) oil;
- (ii) Sulphonated or similarly processed fat or oil;
- (iii) Fatty acids;
- (iv) Lard or rendered pork fat;
- (v) Any fat or oil product intended for sale to another manufacturer for further processing in the manufacture of, or for inclusion in, any product (excepting a product falling within paragraph (a) (5) (vi) hereof);
- (vi) Any edible product of which a fat or oil is not the principal ingredient;
- (vii) Any edible product produced by any hotel or restaurant for consumption on the premises;
- (viii) Any medicinal preparation, including vitamin preparation, other than medicated soap;
- (ix) Olive oil;
- (x) Poultry fat; or
- (xi) Soap sold to soap converters for further processing.

(6) "Crusher" means any person who presses, expels, or extracts oils from any seed, bean, nut, or corn or other oil-bearing materials.

(7) "Principal ingredient" as used in paragraph (a) (5) (vi) hereof means the largest single ingredient by weight, subject to the qualification that mayonnaise and salad dressing are to be considered products of which a fat or oil is not the principal ingredient regardless of the fat or oil composition thereof in the particular case.

(8) "Soap" means the water soluble product formed by the saponification or neutralization of fats, oils, rosins, or their fatty acids with organic, sodium or potassium bases; or any detergent composition containing such products, including all types of shaving soap and shaving cream. The term does not include, however, soap used for non-detergent purposes or for the processing of textiles. "Non-detergent purposes" means uses in which the function of the soap is not to clean, wash, scour, or remove dirt, grit, grease, or any other foreign material from any surface, material, assembly, part or product.

(9) "Foots" means the by-product residue obtained in the refining of any fat or oil where such refining is accom-

plished by treatment of such fat or oil with any alkaline material. The term does not include "tank bottoms", catch basins skimmings, recovered fats and oils obtained from bleaching earth, deodorizer distillate, or other fatty residue obtained by a process other than alkali refining.

(10) "Base period use" means the average use during the corresponding calendar quarter of the years 1940 and 1941.

(11) "Director" means the Director of Food Distribution, War Food Administrator, or any employee of the War Food Administration designated by such Director.

(b) *Restrictions on manufacture.*

(1) No manufacturer, except as provided in paragraph (b) (5) hereof, shall, in any calendar quarter, use or consume any fat or oil in any class of use listed in Schedule A, annexed hereto, in a quantity in excess of a quota equal to the percentage specified in such Schedule A of his average quarterly use or consumption of fats and oils in such class of use during the corresponding calendar quarters of the two years, 1940 and 1941. Any manufacturer who manufactured paste water paint, dry casein paint, or dry protein paint, as such, may determine an oil quota on the basis of one pound of oil for each gallon of paste water paint manufactured by him during the base period, and one pound of oil for each eight pounds of dry casein or dry protein paint, as such, manufactured by him during the base period. This oil quota shall only be used by him for the manufacture of paint containing not more than one pound of oil per gallon of paint.

(2) If any manufacturer does not, in any calendar quarter, use or consume the quantity of fat or oil permitted by paragraph (b) (1) hereof, the unused part of his quota for such quarter (beginning with the second quarter of 1943) may, for the purposes of paragraph (b) (1), be carried forward and used only in the succeeding quarter and then only after the regular quota for such quarter has been used.

(3) For the purpose of determining the quantity of raw "foot" which may be used or consumed, use or consumption shall be calculated on the basis of total fatty acid content.

(4) The restrictions on the use or consumption of fats and oils imposed hereby are imposed with respect to the use or consumption of fats and oils in the aggregate, and such restrictions are not to be construed to limit a manufacturer to



the use or consumption of the same fat or oil used or consumed by him in the base period.

(5) Nothing in paragraph (b) (1) hereof shall restrict:

(i) The use or consumption of fats and oils in any calendar quarter by any manufacturer, who was using fats or oils prior to July 1, 1943, and whose aggregate use or consumption of fats and oils in such period is less than 6,000 pounds; or the use or consumption of fats and oils in any calendar quarter by any manufacturer, whose use of fats and oils did not start until on or after July 1, 1943, and whose aggregate use or consumption of fats and oils in such period is less than 1,000 pounds.

(ii) The use of fats and oils in the manufacture of any edible product or soap delivered or to be delivered to:

(a) The Army, Navy, Marine Corps, and Coast Guard of the United States;

(b) The Food Distribution Administration, War Food Administration (including, but not restricted to, the Federal Surplus Commodity Corporation);

(c) The War Shipping Administration;

(d) The Veterans Administration;

(e) The Panama Railroad Company;

(f) The United States Maritime Commission, for use on vessels operated under its control;

(g) Any contract school or ship operator, as defined in Food Distribution Regulation 2 (8 F.R. 7523);

(h) Any person using an edible product in the preparation of meals to be served on vessels operated by the United States Maritime Commission;

(i) Any manufacturer for use in the manufacture of any edible products to be delivered to any of the persons or agencies named in this paragraph (b) (5) (ii); or,

(j) Any wholesaler or jobber for delivery to any of the persons or agencies named in this paragraph (b) (5) (ii):

*Provided, however,* That deliveries to the persons named in paragraphs (b) (5) (ii) (g), (h), (i), and (j) hereof, shall be nonquota only if supported by a certificate issued to the person having the prime contract with the agencies named in paragraph (b) (5) (ii) (a), (b), (c), (d), (e), and (f) hereof. This certificate shall be issued by the Quartermaster General of the Army, the Chief of the Bureau of Supplies and Accounts or the Chief of Naval Personnel of the Navy, the Commandant of the United States Coast Guard, the Quartermaster of the United States Marines, any duly authorized Army exchange officer, any duly authorized Navy ship's service officer, any duly authorized Marine Corps exchange officer, any duly authorized Coast Guard ship's service officer, the Administrator of the War Shipping Administration, the Administrator of Lend-Lease, the Director of the Veterans Administration, the Chairman of the United States Maritime Commission, the Vice President of the Panama Railroad Company, the Director, or the duly authorized representative of any of them. The certificate shall specify the name of the manufacturer supplying such fats and

oils or soap, and shall state that the final products are for direct Army, Navy, Coast Guard, or Marine Corps issue or for sale in post exchanges or ships' service departments, for contract feeding of Army, Navy, Coast Guard, or Marine Corps personnel, for consumption on ships operated under the War Shipping Administration or the Maritime Commission and for use by the Veterans' Administration, for consumption in the Panama Canal Zone, for export or shipment to any territory or possession of the United States, or for delivery pursuant to the Act of March 11, 1941 (Lend-Lease Act); and that the delivery or manufacture of such products will require a stated quantity of fats and oils or soap. The prime contractor shall furnish copies of such certificate, certified by him to be true and correct, to the persons from whom he obtains such products, and such certified copies shall be transmitted through trade channels to the manufacturer named thereon.

(iii) The use of fats and oils in the manufacture of all protective coatings, coated fabrics, linoleum, oilcloth, and felt base floor coverings, delivered or to be delivered to, or used on or incorporated in material and equipment delivered or to be delivered to, the Army, Navy, Marine Corps, or Coast Guard of the United States, the United States Maritime Commission, or to the War Shipping Administration, or delivered pursuant to the Act of March 11, 1941 (Lend-Lease Act): *Provided, however,* That no fats or oils used or delivered pursuant to the terms of this paragraph (b) (5) (iii) by any manufacturer shall be exempt from such manufacturer's quota under the terms of this order unless, on or before the 15th day of the month succeeding the month in which the fats and oils were so used, he shall mail to the Director a report of such use on Form FDA-478, or such other forms as the Director may prescribe.

(iv) The use of fats and oils in the manufacture of edible finished products and soaps to be exported to the Dominion of Canada where such Dominion has granted a license for the import of such products, or to any other country pursuant to an export license issued by the Board of Economic Warfare.

(6) A manufacturer's use of fats and oils pursuant to paragraphs (b) (5) (ii), (iii), and (iv) shall not be charged against his quota under paragraph (b) (1) hereof, and any fats or oils used or consumed by a manufacturer in the base period for any use set forth in paragraphs (b) (5) (ii), (iii), and for the manufacture of edible finished products and soap for export to a foreign country shall be excluded in determining his quota under paragraph (b) (1) hereof.

(7) A person who acquires all the manufacturing facilities of another person in a particular class of use shall thereby become entitled to the quota of such other person in such class of use, whether or not he continues to operate such facilities in whole or in part: *Provided, however,* That he shall within 30 days following such acquisition inform

the Director of the facilities acquired, their location, whether or not operation will be continued in the same or another location, and the amount of quota which he claims to have acquired in each class of use.

(8) Fats and oils owned by one person, which are processed by another person, shall be charged against the quota of the owner and not the processor: *Provided, however,* That the title to the product resulting from the processing shall remain in the owner of the fats and oils and such owner shall market the product and shall invoice and collect for such product through his own organization, and the processor shall not buy directly or indirectly any product so produced. Otherwise, such fats and oils shall be chargeable against the quota of the processor.

(9) Each manufacturer of soap may, in any calendar quarter, substitute, in whole or in part, for the fats and oils (other than foots made from domestic vegetable oils or the fatty acids made from such foots) which he would be entitled to use under Schedule A in such manufacture, foots made from domestic vegetable oils or the fatty acids made from such foots. The quantity of such foots or their fatty acids which may be used or consumed shall be 80 percent of the base period use of fats and oils.

(c) *Restrictions on processing and inventories.* (1) No person shall accept delivery of fats and oils for his raw material inventory if the fats and oils in his raw material inventory are, or would through such acceptance become, in excess of a practicable working minimum inventory. This paragraph (c) (1) does not, however, restrict the inventories of any fat or oil in the form in which it is first produced by the crusher or renderer, or of any vegetable oil foots or their fatty acids.

(2) No manufacturer shall hereafter change the condition of any fat or oil in his raw materials inventory, or add any additional materials thereto, except to the extent necessary to store any such fat or oil in his raw materials inventory in a form necessary to prevent deterioration thereof, or except to put such fats or oils into process for the manufacture of his products subject to the limitations of paragraph (c) (3).

(3) No manufacturer shall hereafter increase the rate at which fats and oils are put into process by him, except to the extent necessary to meet the required deliveries of his finished products within the limitations established by this order and to maintain only a practicable minimum working inventory of such finished products. The term "practicable minimum working inventory", as used in paragraph (c) (1) and (3), shall be strictly construed. The mere fact that the turn-over has increased, or that materials are difficult to obtain, does not justify maintaining inventories above the minimum at which his operations can be continued.

(d) *Prohibited uses of fats and oils.* (1) No person shall use or consume any butter or any of the following fats and oils in any class of use listed in Schedule



A other than the manufacture of margarine or the manufacture of other edible finished products: Oleo oil, Edible olive oil, Peanut oil, Sunflower oil, Sesame seed oil, Raisin seed oil, Tomato seed oil, Cottonseed oil, Corn oil.

(2) Nothing in paragraph (d) (1), hereof shall restrict the use of any fat or oil in any inedible product or soap where and to the extent that:

(i) The quantity of any such fat or oil owned by such person on December 31, 1942, was less than 60,000 lbs;

(ii) Any such fat or oil is used in the manufacture, preparation, or finishing of protective coatings and coated fabrics under the provisions of paragraph (b) (5) (iii) hereof, or in the manufacture of USP XII soap for medicinal use; or soft soap, hospital grade, according to United States Army specifications No. 4-1027A (February 5, 1941) for delivery to the United States Army;

(iii) Any such fat or oil is a by-product or residue (except stearine) of the permitted processing of any fat or oil, or consists of tank bottoms of any fat or oil;

(iv) The use by any person of any such fat or oil in any class of use which has been specifically authorized by the Director, where such person establishes, to the satisfaction of the Director, by letter that such fat or oil was owned by him on December 31, 1942, and was on such date unfit for edible use.

(e) *Existing contracts.* The restrictions of this order concerning delivery, acceptance, use, processing, and consumption of fats and oils shall be observed without regard to existing contracts or any rights accrued or payments made thereunder.

(f) *Records and reports.* (1) Each manufacturer, other than a soap converter, who, in any calendar quarter, uses or consumes more than 6,000 lbs. of fats and oils in the aggregate, shall file with the Bureau of the Census, Washington 25, D. C., each of the following reports in the following manner:

(i) He shall file, on or before the 15th day of each month, Bureau of Census Form BM 1, or such other form or forms as may be prescribed by the Director, showing the consumption of fats and oils during the preceding month; and

(ii) He shall file, on or before the 15th day of the second month of the succeeding quarter, Bureau of Census Form BM 2, or such other form or forms as may be prescribed by the Director, showing the consumption of fats and oils during the preceding quarter.

(2) The Director shall be entitled to obtain such information from, and require such reports and the keeping of such records by, any person, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this order.

(g) *Bureau of the Budget approval.* The reporting requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. Subsequent specific record-keeping or reporting requirements by the Director will be subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(h) *Audits and inspections.* The Director shall be entitled to make such audit or inspection of the books, records and other writings, premises or stocks of fats and oils of any person, and to make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this order.

(i) *Petition for relief from hardship.* Any person affected by this order who considers that compliance herewith would work an exceptional and unreasonable hardship upon him may petition in writing for relief to the Director, setting forth all pertinent facts and the nature of relief sought. The Director may thereupon take such action as he deems appropriate and such action shall be final.

(j) *Violations.* The War Food Administrator may, by suspension order, prohibit any person who violates any provision of this order from receiving, making any deliveries of, or using fats and oils, or any other material subject to priority or allocation control by the War Food Administrator, and may recommend that any such person be prohibited from receiving, making any deliveries of, or using materials subject to the priority or allocation control of other governmental agencies. In addition, any person who wilfully violates any provision of this order is guilty of a crime and may be prosecuted under any and all applicable laws. Further, civil action may be instituted to enforce any liability or duty created by, or to enjoin any violation of, any provision of this order.

(k) *Communications.* Except as hereinbefore provided, all reports required to be filed hereunder and all communications concerning this order shall, unless instructions to the contrary are issued by

the Director, be addressed to the War Food Administrator, United States Department of Agriculture, Washington 25, D. C., Ref. FD-42.

(1) *Effect of other orders.* Insofar as any other order of the Secretary of Agriculture, the War Food Administrator, or the Director, heretofore or hereafter issued, limits or curtails to a greater extent than herein provided the use, acquisition, or disposition of any fat or oil, the limitations of such other order shall control.

(m) *Territorial extent.* This order shall apply only to the forty-eight States of the United States, the District of Columbia, and the Territory of Alaska.

(n) *Effective date.* This amendment shall become effective on the 10th day of July 1943, at 12:01 a. m., e. v. t. However, with respect to violations of Food Distribution Order 42, or rights accrued, or liabilities incurred hereunder, prior to said date, said Food Distribution Order 42 shall be deemed in full force and effect for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violation, right or liability.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423)

Issued this 10th day of July 1943.

MARVIN JONES,  
War Food Administrator.

SCHEDULE A

Class of use:	Permitted percentage
Manufacture of margarine-----	167
Manufacture of other edible finished products, including shortening-----	88
Manufacture of soap, exclusive of soap made from domestic vegetable oil foots or the fatty acid from such foots-----	80
Manufacture of soap from foots made from domestic vegetable oils or the fatty acids from such foots-----	80
Manufacture of paints, varnishes, lacquers, and all other protective coatings, except enamels and coatings for metal food containers, metal food closures, and food closure liners-----	50
Manufacture of enamels and coatings for metal food containers, metal food closures, and food closure liners-----	100
Manufacture of linoleum, oilcloth, and felt base floor coverings-----	50
Manufacture of oilcloth (for all purposes other than floor coverings) and all other coated fabrics-----	50
Manufacture of printing inks, including lithographing, offset, silk screen, and other processing inks-----	90

Press Release Immediate:  
Saturday, July 10, 1943

Manufacturers having unused portions of their second quarter fats and oils quotas for civilian use may now carry them over into the third quarter, but must use them within that period.

Food Distribution Order No. 42 has prohibited any carry-over after June 30,

but this prohibition is lifted in an amendment to the order issued by the War Food Administration and effective July 10, 1943.

The amendment also:

(1) Reduces quotas for the use of fats and oils in producing margarine and soaps for civilian use. The margarine quota is reduced from 180 percent to 167 percent of the manufacturer's average

use during 1940 and 1941, and the soap quota is reduced to 80 percent. Heretofore, soap made from domestic vegetable oil foots has had a 100 percent quota, and other soaps have had an 84 percent quota.

(2) Adds the Veterans Administration and the Maritime Commission to the list of exempt agencies, permitting unre-



stricted delivery to them of edible products and soap.

(3) Establishes a new class of uses: the manufacture of enamels and coatings for metal food containers, metal food closures, and food closure liners, permitting up to 100 percent of the base period. The original order included this use under "protective coatings."

(4) Places further restrictions on the processing of fats and oils for the owner's account, stipulating that the processor cannot purchase the finished product without charging the raw materials to his own quota.

(5) Removes restrictions on deliveries of linseed oil and on the use of fish oils in soaps because separate orders have been issued covering these restrictions. (FDO 63 and FDO 60).

(6) Removes these fats and oils from the list of restricted uses: lard, rendered pork fat, oleo stearine, oleo stocks, edible tallow, soybean and whale oil. They have heretofore been restricted to special classes of use (schedule A FDO 42) except in the manufacture of margarine or other edible finished products.

(7) Changes the date for the filing of manufacturer's reports with the Bureau

of the Census from the 20th to the 15th of each month.

(8) Changes the method of reporting the use of fats and oils in protective coatings, coated fabrics, and linoleums for exempt uses.

(9) Includes "soap converters" in the definition of manufacturers; and excludes from the definition of "finished products" soap sold to a converter. Soap has been more specifically defined, and a new definition of "foots" has been included.

(10) In the manufacture of products for export, it limits the exempt use of fats and oils to edible products and soap.



WAR FOOD ADMINISTRATION  
Food Distribution Administration  
Washington 25, D. C.

CORRECTION NOTICE ON FTD 42, Amendment 2 "FATS AND OILS"

The errors noted below, which occurred in the printing of this amendment, will be corrected in the Federal Register:

1. In the third line of paragraph (a)(5), the word "the" should be deleted.
2. The word "produce" in the eighth line of paragraph (a)(5) should read "product".
3. In the fourth line of paragraph (b)(5)(ii)(i), the word "operated" should be inserted between the words "vessels" and "by".







## WAR FOOD ADMINISTRATION

[FDO 42, Amdt. 2]

## PART 1460—FATS AND OILS

## RESTRICTIONS ON USE

Food Distribution Order No. 42, as amended (8 F.R. 9483), issued by the War Food Administrator on July 10, 1943, is amended to read as follows:

§ 1460.1 *Use of fats and oils*—(a) *Definitions*. (1) "Fats and oils" means all the raw, crude, refined, and pressed fats and oils, whether vegetable, animal, fish, or other marine animal, their by-products and derivatives, including foots, grease (lard) oil, sulfonated and similarly processed fats and oils, fatty acids, lard and rendered pork fat, and the fat and oil content of any other product, but not including cocoa butter, butter, wool (grease) fat, essential oils, tall oil, mineral oils, and vitamin bearing oils derived from fish or other marine animal livers or viscera.

(2) "Person" means any individual, partnership, association, business trust, corporation, or any organized group of persons whether incorporated or not.

(3) "Manufacturer" means any person who uses any fats or oils in the manufacture of any "finished product", and shall include all other persons directly controlling or controlled by such person and all persons under direct or indirect common control with such person. The term shall also include a "soap converter", but shall not include any crusher, renderer, refiner, or other processor except as and to the extent that his operations result in the production of a finished product, or any person who uses fats and oils in the home in the preparation of food for household consumption. A person who merely blends fats and oils shall not be deemed a manufacturer.

(4) "Soap converter" means any person who uses soap made by others as a raw material, and by the addition of other materials, including, but not limited to, silicates, phosphates, abrasives, borax, corn meal, and soda ash, makes a finished product which is sold for detergent uses. The term shall not include those persons who merely add small amounts of color or perfume to the original soap, or persons who merely dissolve paste or other soaps in water to make liquid soaps without adding other non-soap detergent materials.

(5) "Finished product" means any product produced by a manufacturer for the sale as his finished product and carried on his books as his finished product; or any product listed under Schedule A hereof produced by a manufacturer for his own consumption, except an inter-

mediate produce used by him in the manufacture of another product listed under said Schedule A. However, the term shall not include:

(i) Lard or rendered pork fat;  
(ii) Any fat or oil product intended for sale to another manufacturer for further processing in the manufacture of, or for inclusion in, any product listed under Schedule A hereof (excepting an edible product of which fats and oils are not the principal ingredient);

(iii) Any edible product of which fats and oils are not the principal ingredient;  
(iv) Any edible product produced by any hotel or restaurant for consumption on the premises;

(v) Any medicinal preparation other than medicated soap;

(vi) Any vitamin preparation;

(vii) Olive oil;

(viii) Poultry fat; or

(ix) Soap intended for sale to soap converters for further processing.

(6) "Crusher" means any person who presses, expels, or extracts oils from any seed, bean, nut, or corn or other oil-bearing materials.

(7) "Principal ingredient" means the largest single ingredient by weight, subject to the qualification that mayonnaise and salad dressing are to be considered products of which fats and oils are not the principal ingredient regardless of the composition thereof.

(8) "Soap" means the water soluble product formed by the saponification or neutralization of fats, oils, rosins, or their fatty acids with organic, sodium or potassium bases; or any detergent composition containing such products, including all types of shaving soap and shaving cream. The term does not include, however, soap used for non-detergent purposes or for the processing of textiles.

(9) "Non-detergent purposes" means uses in which the function of the soap is not to clean, wash, scour, or remove dirt, grit, grease, or any other foreign material from any surface, material, assembly, part or product.

(10) "Package and bar soap" means all bar soap, and all other soap, except abrasive hand soaps, originally packed in unit packages containing less than 25 pounds net.

(11) "Bulk package soap" means any soap except bar soap, and abrasive hand soaps, which is originally packaged in unit packages containing 25 pounds net, or more.

(12) "Abrasive hand soap" means paste and powdered soap products sold regularly for the removal of soil from the human skin and which contain by

weight not less than 10% or more than 40% anhydrous soap, and not less than 25% abrasive material of an organic or inorganic nature, to facilitate soil removal.

(13) "Foots" means the byproduct residue obtained in the refining of any fat or oil where such refining is accomplished by treatment of such fat or oil with any alkaline material.

(14) "Base period" means the calendar years 1940 and 1941.

(15) "Director" means the Director of Food Distribution, War Food Administration.

(b) *Restrictions on manufacture*. (1) No manufacturer, except as hereinafter provided, shall, in any calendar quarter, use or consume any fat or oil in any class of use listed in Schedule A below, in a quantity in excess of a quota equal to the percentage specified in such Schedule A of his average quarterly use or consumption of fats and oils in such class of use during the corresponding calendar quarters of the base period: *Provided, however*, That any person who manufactured paste water paint, dry casein paint, or dry protein paint, as such, in the base period, may, in any calendar quarter, for the sole purpose of manufacturing paint containing not more than one pound of fats and oils per gallon of paint, use a quantity of fats and oils equal to 60% of an amount of fats and oils computed on the basis of one pound of fats and oils for each gallon of his average quarterly production of paste water paint during the corresponding calendar quarters of the base period, and one pound of fats and oils for each 8 pounds of his average quarterly production of dry casein or dry protein paint during the corresponding calendar quarters of the base period.

## SCHEDULE A

Class of use:	Permitted percentage
Manufacture of margarine.....	167
Manufacture of other edible finished products, including shortening.....	88
Manufacture of package and bar soap.....	90
Manufacture of bulk package soap.....	110
Manufacture of abrasive hand soap.....	150
Manufacture of paints, varnishes, lacquers, and all other protective coatings.....	60
Manufacture of linoleum, oilcloth (for floor coverings), and felt base floor coverings.....	60
Manufacture of oilcloth (for all purposes other than floor coverings) and all other coated fabrics.....	60
Manufacture of printing inks, including lithographing, offset, silk screen, and other processing inks.....	90

(2) If any manufacturer does not, in any calendar quarter, use or consume the



quantity of fat or oil permitted by paragraph (b) (1) hereof, the unused part of his quota for such quarter (beginning with the second quarter of 1943) may, for the purposes of paragraph (b) (1), be carried forward and used only in the succeeding calendar quarter and then only after the regular quota for such quarter has been used.

(3) For the purpose of determining the quantity of raw "foots" which may be used or consumed, use or consumption shall be calculated on the basis of total fatty acid content.

(4) The restrictions on the use or consumption of fats and oils imposed hereby are imposed with respect to the use or consumption of fats and oils in the aggregate, and such restrictions are not to be construed to limit a manufacturer to the use or consumption of the same fat or oil used or consumed by him in the base period.

(5) Nothing in paragraph (b) (1) hereof shall restrict:

(i) The use or consumption of fats and oils in any calendar quarter by any manufacturer, who was using fats or oils prior to July 1, 1943, and whose aggregate use or consumption of fats and oils in such calendar quarter is less than 10,000 pounds; or the use or consumption of fats and oils in any calendar quarter by any manufacturer, whose use of fats and oils did not commence until on or after July 1, 1943, and whose aggregate use or consumption of fats and oils in such calendar quarter is less than 1,000 pounds.

(ii) The use of fats and oils in the manufacture of the following products, delivered, or contracted for delivery, to the persons, or agencies, and for the specific purposes, if any, listed below:

(a) Any edible product or soap to the Army, Navy, Marine Corps, or Coast Guard of the United States;

(b) Any edible product or soap to the Food Distribution Administration, War Food Administration (including, but not restricted to the Federal Surplus Commodities Corporation);

(c) Any edible product or soap to the War Shipping Administration;

(d) Any edible product or soap to the United States Maritime Commission for use on vessels operated under its control;

(e) Any edible product or soap to the Veterans Administration;

(f) Any edible product or soap to the Panama Railroad Company;

(g) Any edible product or soap to a contract school as defined in Food Distribution Regulation 2 (8 F.R. 7523), for contract feeding of Army, Navy, Marine Corps, or Coast Guard personnel;

(h) Any edible product or soap to a ship operator as defined in said Food Distribution Regulation 2, for use on any vessels operated by him in such capacity;

(i) Any edible product to any person for the purpose of using such product in the preparation of meals to be served on vessels by the United States Maritime Commission;

(j) Any soap to any person for the purpose of using such soap in laundering under contract with the Army, Navy,

Marine Corps, or Coast Guard of the United States, the War Shipping Administration, the United States Maritime Commission, or a ship operator, as defined in said Food Distribution Regulation 2;

(k) Any finished product to any person for use in the manufacture of any edible product delivered or to be delivered to any of the agencies or persons named in (a), (b), (c), (d), (e), (f), (g), (h), and (i), hereof, for the specific purposes, if any, set forth in said paragraph: *Provided, however,* That although delivery of a product pursuant to this paragraph (b) (5) (ii) may be made to the persons or agencies heretofore named in said paragraph through intermediate distributors, any delivery so made through intermediate distributors; or any delivery, direct or otherwise, made to the persons named in (g), (h), (i), (j), or (k), hereof, will not cause the use of fats and oils in the manufacture of the product so delivered, to be exempt from the provisions of paragraph (b) (5) (i) hereof, unless and until a certificate, or certified copy thereof, is issued, endorsed, and delivered to the person claiming such exemption, in connection with such delivery, as follows: The certificate shall state the name of the person making delivery, or to make delivery, of the final product, the name of the manufacturer of the final product, the amount and kind of final product delivered, or to be delivered, and that the person or agency to whom delivery has been, or is to be, made has either received the amount of final product covered by the certificate, or has contracted for such delivery. If delivery has been made, or is to be made, pursuant to (g), (h), (i), (j), or (k), hereof, the certificate shall also state the purpose for which the final product covered thereby is to be used. The foregoing certificate shall be signed by an authorized officer, or official, of the agency receiving, or to receive, the final product, or if the final product has been received, or is to be received, by a private person, the certificate shall be signed by such person or his authorized agent. The certificate shall be delivered to the person who made, or is to make, delivery, and such person, if he did not, or will not, manufacture the product covered by the certificate, shall deliver it promptly by mail, or otherwise, to the manufacturer of the final product named thereon. Promptly upon receipt of the certificate the manufacturer of the final product named thereon shall execute and sign an endorsement thereon showing the amount of fats and oils used, or to be used, in the manufacture of the amount of final product covered by the certificate. In addition thereto, if such person used, or is to use, any finished product delivered, or to be delivered, to him pursuant to (k) hereof, in the manufacture of the final product covered by the certificate, he shall set forth in the endorsement the name of the person so supplying, or to supply, him with such finished product and the amount and kind of the finished product delivered, or to be delivered, by such supplier for

such purpose. The manufacturer of the final product shall then make a copy of the certificate and endorsement thereon, certified by him to be true and correct, and deliver such copy promptly, by mail, or otherwise, to such supplier. However, the manufacturer of the final product may, in making the copy for any particular supplier, delete the data concerning suppliers other than the supplier to whom the copy is to be delivered, and insert in lieu thereof the following: "Data concerning other suppliers has been deleted." And, *It is further provided:* That the use of fats and oils in the manufacture of a finished product to be delivered directly to any agency named in (a), (b), (c), (d), (e), or (f), hereof, shall not be exempt from the provisions of (b) (1) hereof, unless and until the person claiming such exemption shall have entered into a contract with such agency to deliver such finished product.

(iii) The use of fats and oils in the manufacture of all protective coatings, coated fabrics, linoleum, oilcloth, and felt base floor coverings, delivered or to be delivered to, or used on or incorporated in material and equipment delivered or to be delivered to, the Army, Navy, Marine Corps, or Coast Guard of the United States, the United States Maritime Commission, or to the War Shipping Administration, or delivered, or to be delivered, pursuant to the Act of March 11, 1941 (Lend-Lease Act): *Provided, however,* That no fats or oils used or delivered pursuant to the terms of this paragraph (b) (5) (iii) by any manufacturer shall be exempt from such manufacturer's quota under the terms of this order unless, on or before the 15th day of the month succeeding the month in which the fats and oils were so used, he shall mail to the Director a report of such use on Form FDA-523, or such other forms as the Director may prescribe.

(iv) The use of fats and oils in the manufacture of edible finished products and soaps to be exported to the Dominion of Canada where such Dominion has granted a license for the import of such products, or to any other country pursuant to an export license issued by the Foreign Economic Administration.

(6) A manufacturer's use of fats and oils in accordance with the provisions of paragraphs (b) (5) (ii), (iii), and (iv) shall not be charged against his quota under paragraph (b) (1) hereof, and any fats or oils used or consumed by a manufacturer in the base period for any use set forth in paragraphs (b) (5) (ii), (iii), and for the manufacture of edible finished products and soap for export to a foreign country shall be excluded in determining his quota under paragraph (b) (1) hereof.

(7) A person who acquires all the manufacturing facilities of another person in a particular class of use shall thereby become entitled to the quota of such other person in such class of use, whether or not he continues to operate such facilities in whole or in part: *Provided, however,* That he shall within 30 days following such acquisition in-



form the Director of the facilities acquired, their location, whether or not operation will be continued in the same or another location, and the amount of quota which he claims to have acquired in each class of use.

(8) Fats and oils owned by one person, which are processed by another person, shall be charged against the quota of the owner and not the processor: *Provided, however,* That the title to the product resulting from the processing shall remain in the owner of the fats and oils and such owner shall market the product and shall invoice and collect for such product through his own organization, and the processor shall not buy directly or indirectly any product so produced. Otherwise, such fats and oils shall be chargeable against the quota of the processor.

(c) *Existing contracts.* The restrictions of this order shall be observed without regard to existing contracts or any rights accrued or payments made thereunder.

(d) *Records and reports.* (1) Each manufacturer, other than a soap converter, who, in any calendar quarter, uses or consumes more than 6,000 lbs. of fats and oils in the aggregate, shall file with the Bureau of the Census, Washington 25, D. C., each of the following reports in the following manner:

(i) He shall file, on or before the 15th day of each month, Bureau of Census Form BM 1, or such other form or forms as may be prescribed by the Director, showing his consumption of fats and oils during the preceding month; and

(ii) He shall file, on or before the 15th day of the second month of the succeeding quarter, Bureau of Census Form BM 2, or such other form or forms as may be prescribed by the Director, showing his consumption of fats and oils during the preceding quarter.

(2) The Director shall be entitled to obtain such information from, and require such reports and keeping of such records by, any person, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this order.

(3) Every person subject to this order shall, for at least two years (or for such period of time as the Director may designate), maintain an accurate record of

his transactions in fats and oils, and keep all certificates and endorsements, or copies thereof required by this order to support any claim for quota exemption made by him. All statements contained in such certificates or endorsements shall be deemed representations to an agency of the United States.

(4) The record-keeping and reporting requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. Subsequent record-keeping or reporting requirements will be subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(e) *Audits and inspection.* The Director shall be entitled to make such audit or inspection of the books, records and other writings, premises or stocks of fats and oils of any person, and to make such investigations, as may be necessary or appropriate, in his discretion to the enforcement or administration of the provisions of this order.

(f) *Petition for relief from hardship.* Any person affected by this order who considers that compliance herewith would work an exceptional and unreasonable hardship on him, may file a petition for relief in writing with the Director, addressed as follows: Director of Food Distribution, War Food Administration, Washington 25, D. C. Ref. FDO 42. Such petition shall set forth all pertinent facts and the nature of the relief sought. The Administrator of this order shall then act upon the petition. In the event that the petitioner is dissatisfied with the action taken by the Administrator of this order, he may request a review of such action by the Director whose decision with respect to the relief sought shall be final.

(g) *Violations.* The War Food Administrator may, by suspension order, prohibit any person who violates any provision of this order from receiving, making any deliveries of, or using fats and oils, or any other material subject to priority or allocation control by the War Food Administrator, and may recommend that any such person be prohibited from receiving, making any deliveries of, or using materials subject to the priority or allocation control of other governmental agencies. In addition,

any person who wilfully violates any provision of this order is guilty of a crime and may be prosecuted under any and all applicable laws. Further, civil action may be instituted to enforce any liability or duty created by, or to enjoin any violation of, any provision of this order.

(h) *Communications.* All reports required to be filed hereunder and all communications concerning this order shall, unless instructions to the contrary are issued by the Director, or otherwise provided herein, be addressed to the Director of Food Distribution, War Food Administration, Washington 25, D. C., Ref. FDO 42.

(i) *Delegation of authority.* The administration of this order and the powers vested in the War Food Administrator, insofar as such powers relate to the administration of this order, are hereby delegated to the Director. The Director is authorized to redelegate any or all of the authority vested in him by this order to any employee of the United States Department of Agriculture.

(j) *Territorial extent.* This order shall apply only to the forty-eight States of the United States and the District of Columbia.

(k) *Effect of other orders.* Insofar as any other order of the Secretary of Agriculture, the War Food Administrator, or the Director, heretofore or hereafter issued, limits or curtails to a greater extent than herein provided the use, acquisition, or disposition of any fat or oil, the limitations of such other order shall control.

(l) *Effective date.* This amendment shall become effective at 12:01 a. m., e. w. t., October 14, 1943. However, with respect to violations of Food Distribution Order No. 42, as amended, or rights accrued, or liabilities incurred thereunder, prior to said date, said Food Distribution Order No. 42, as amended, shall be deemed in full force and effect for the purpose of sustaining any proper suit action, or other proceeding with respect to any such violation, right, or liability.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423)

Issued this 11th day of October 1943.

ASHLEY SELLERS,  
Assistant War Food Administrator.

Press Release, Immediate:  
Tuesday, October 12, 1943.

An increase in the production of civilian supplies of soaps, paints, varnishes, lacquers, linoleums, oilcloths, felt base floor coverings, coated fabrics and most protective coatings will be possible under a new schedule of quotas affecting the use of fats and oils issued by the War Food Administration.

The percentage of fats and oils permitted in the manufacture of household soaps has been increased from 80 percent to 90 percent of the base period (1940-41) use; that for industrial soaps from

80 percent to 110 percent; and that for abrasive or mechanics' soap, from 80 percent to 150 percent. Contrary to tentative plans previously announced, there will be no exemption for soap supplied to public institutions, hospitals or factories.

The percentages allowed for paints, varnishes, lacquers, etc., has been increased from 50 to 60 percent of the base period use.

The release of additional fats and oils for soap making is part of a broad program announced September 22 by which the civilian soap supply will be increased approximately 28 percent.

These and other changes in Food Distribution Order No. 42 have been made by an amendment to the order, effective October 14, 1943. FDO 42, administered by the Food Distribution Administration, regulates the use of all fats and oils. The amendment is the second issued since FDO 42 became effective last spring, and simplifies the procedure under which it operates. Several provisions of the original order (first amended July 10, 1943) are completely removed.

In addition to the adjustment of quotas made possible by improving conditions, the amendment makes the following changes:



1. Raises from 6,000 to 10,000 pounds per quarter the minimum exemption under which a manufacturer (in business prior to July 1, 1943) may operate without restriction.

2. Returns the manufacture of enamels and coatings for metal food containers, closures and closure liners to its original classification—with paints, varnishes, lacquers, etc.—permitting an interchange of use with all these products, based on 60 percent of 1940-41.

3. Permits the exemption of laundry soap used in contract laundering for the Armed forces, the War Shipping Administration, the U. S. Maritime Commission, and ships operation.

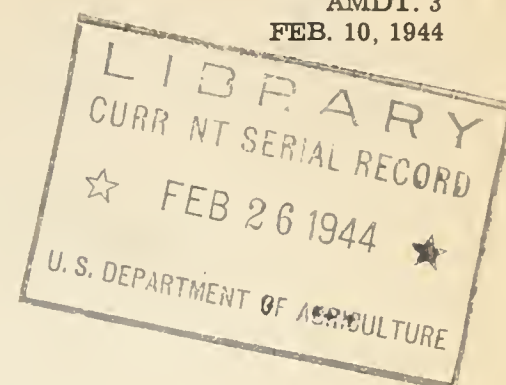
4. Removes paragraph (c)—restrictions on processing and inventories—because controls exercised by other food distribution orders governing individual oils make such provisions in FDO 42 unnecessary.

5. Removes paragraph (d)—prohibited uses of fats and oils—for the same rea-

son. (FDO 42 restricts the use of all fats and oils, FDA officials pointed out, and authorizations given under orders governing individual oils do not release users from general provisions of FDO 42.)

6. Revises the method of certification to substantiate the ex-quota use of edible products and soap so that the manufacturer (instead of the agency) will insert the quantity of fats and oils used. Exemptions from ex-quota are restricted to products actually delivered or under contract to be delivered.

FEB. 10, 1944



## WAR FOOD ADMINISTRATION

[FDO 42, Amdt. 3]

## PART 1460—FATS AND OILS

## RESTRICTIONS ON USE

Food Distribution Order 42, as amended (8 F.R. 13970), § 1460.1, is amended as follows:

By inserting immediately after the end of Schedule A of paragraph (b) (1) thereof and as a part of said Schedule A, the following:

*Provided further, however, That for the purpose of determining the restrictions applicable to a manufacturer's use of fats and oils during the calendar quarter beginning on January 1, 1944, only, Schedule A hereof shall read as follows:*

<i>Class of use:</i>	<i>Permitted percentage</i>	<i>Class of use:</i>	<i>Permitted percentage</i>
Manufacture of margarine-----	167	Manufacture of linoleum, oilcloth (for floor coverings), and felt base floor coverings-----	70
Manufacture of other edible finished products, including shortening-----	88	Manufacture of oilcloth (for all purposes other than floor coverings) and all other coated fabrics-----	70
Manufacture of package and bar soap-----	90	Manufacture of printing inks, including lithographing, offset, silk screen, and other processing inks-----	90
Manufacture of bulk package soap-----	110		
Manufacture of abrasive hand soap---	150		
Manufacture of paints, varnishes, lacquers, and other protective coatings, except protective coatings used as, or in the manufacture of, container closures, container liners, or linings and liners for cans (as defined in Conservation Order M-81, as amended, 9 F.R. 82), <i>Provided, That</i> such cans, container closures, and container liners are used only for the packaging of food, drugs, pharmaceuticals, and beverages-----	70		

This amendment shall become effective February 10, 1944, 12:01 a. m., e. w. t. (E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783)

Issued this 10th day of February 1944.

ASHLEY SELLERS,  
Assistant War Food Administrator.

# War Food Administration Summary to FDO 42 Amendment 3

To help alleviate the tight supply of essential paints, varnishes, lacquers, etc., the War Food Administration has granted an increase in the quota of fats and oils to manufacturers of these products for use during the current calendar quarter.

The increase, from 60 to 70 percent of the average used in the corresponding calendar quarter of 1940 and 1941, also applies to other protective coatings, linoleum, oilcloth, felt base floor coverings and coated fabrics.

The amendment further removes from restriction, finishes for containers, closures and closure liners for foods, drugs, beverages and pharmaceuticals.

Though the increase is granted only for the period ending March 31, portions unused on that date may be carried over into the second calendar quarter, in accordance with the provisions of FDO 42.

The new quota is prescribed in an amendment to Food Distribution Order No. 42, which controls the use of all fats and oils.





WAR FOOD ADMINISTRATION  
Office of Distribution  
Washington 25, D. C.

CORRECTION NOTICE - FDO 42 Amendment 4 - Fats and Oils

In printing Food Distribution Order No. 42 Amendment 4 the following error occurred:

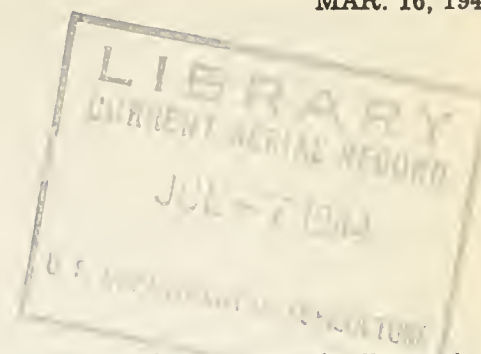
Paragraph (15) the word "Conservative" should read "Conservation" so that the sentence reads, "Can" means a can as defined in Conservation Order M-81, as amended (9F.R.82).







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## WAR FOOD ADMINISTRATION

[FDO 42, Amdt. 4]

### PART 1460—FATS AND OILS

#### RESTRICTIONS ON USE

Food Distribution Order No. 42, as amended (8 F.R. 13970, 9 F.R. 1687), § 1460.1, is amended to read as follows:

#### § 1460.1 *Use of fats and oils*—(a)

**Definitions.** (1) "Fats and oils" means all the raw, crude, refined, and pressed fats and oils, whether vegetable, animal, fish, or other marine animal, their by-products and derivatives, including foots, grease (lard) oil, sulfonated and similarly processed fats and oils, fatty acids, lard and rendered pork fat, and the fat and oil content of any other product, but not including cocoa butter, butter, wool (grease) fat, essential oils, tall oil, mineral oils, and vitamin bearing oils derived from fish or other marine animal livers or viscera.

(2) "Person" means any individual, partnership, association, business trust, corporation, or any organized group of persons whether incorporated or not.

(3) "Manufacturer" means any person who uses any fats or oils in the manufacture of any "finished product", and shall include all other persons directly controlling or controlled by such person and all persons under direct or indirect common control with such person. The term shall also include a "soap converter", but shall not include any crusher, renderer, refiner, or other processor except as and to the extent that his operations result in the production of a finished product, or any person who uses fats and oils in the home in the preparation of food for household consumption. A person who merely blends fats and oils shall not be deemed a manufacturer.

(4) "Soap converter" means any person who uses soap made by others as a raw material, and by the addition of other materials, including, but not limited to, silicates, phosphates, abrasives, borax, corn meal, and soda ash, makes a finished product which is sold for detergent uses. The term shall not include those persons who merely add small amounts of color or perfume to the original soap, or persons who merely dissolve paste or other soaps in water to make liquid soaps without adding other non-soap detergent materials.

(5) "Finished product" means any product produced by a manufacturer for sale as his finished product and carried

on his books as his finished product; or any product listed under Schedule A hereof produced by a manufacturer for his own consumption, except an intermediate product used by him in the manufacture of another product listed under said Schedule A. However, the term shall not include:

(i) Lard or rendered pork fat;

(ii) Any fat or oil product intended for sale to another manufacturer for further processing in the manufacture of, or for inclusion in, any product listed under Schedule A hereof (excepting an edible product of which fats and oils are not the principal ingredient);

(iii) Any edible product of which fats and oils are not the principal ingredient;

(iv) Any edible product produced by any hotel or restaurant for consumption on the premises;

(v) Any medicinal preparation, other than medicinal soap, or any product used in the manufacture of such a medicinal preparation;

(vi) Any vitamin preparation or any product used in the manufacture of a vitamin preparation;

(vii) Olive oil;

(viii) Poultry fat; or

(ix) Soap intended for sale to soap converters for further processing.

(6) "Crusher" means any person who presses, expels, or extracts oils from any seed, bean, nut, or corn or other oil-bearing materials.

(7) "Principal ingredient" means the largest single ingredient by weight, subject to the qualification that mayonnaise and salad dressing are to be considered products of which fats and oils are not the principal ingredient regardless of the composition thereof.

(8) "Soap" means the water soluble product formed by the saponification or neutralization of fats, oils, rosins, or their fatty acids with organic, sodium or potassium bases; or any detergent composition containing such products, including all types of shaving soap and shaving cream. The term does not include, however, soap used for non-detergent purposes or for the processing of textiles.

(9) "Non-detergent purposes" means uses in which the function of the soap is not to clean, wash, scour, or remove dirt, grit, grease, or any other foreign material from any surface, material, assembly, part or product.

(10) "Package and bar soap" means all bar soap, and all other soap, except

abrasive hand soaps, originally packed in unit packages containing less than 25 pounds net.

(11) "Bulk package soap" means any soap except bar soap, and abrasive hand soaps, which is originally packaged in unit packages containing 25 pounds net, or more.

(12) "Abrasive hand soap" means paste and powdered soap products sold regularly for the removal of soil from the human skin and which contain, by weight, on a moisture free basis, not less than 10% or more than 40% anhydrous soap, and not less than 25% abrasive material of an organic or inorganic nature, to facilitate soil removal.

(13) "Foots" means the by-product residue obtained in the refining of any fat or oil, except linseed oil, where such refining is accomplished by treatment of such fat or oil with any alkaline material.

(14) "Washed, recovered linseed oil" means the by-product residue obtained in the refining of linseed oil where such refining is accomplished by treatment of linseed oil with any alkaline material.

(15) "Can" means a can as defined in Conservative Order M-81, as amended (9 F.R. 82).

(16) "Base period" means the calendar years 1940 and 1941.

(17) "Director" means the Director of Food Distribution, War Food Administration.

(b) *Restrictions on manufacture.* (1) No manufacturer, except as hereinafter provided, shall, in any calendar quarter, use or consume fats and oils in any class of use listed in Schedule A below, in a quantity in excess of a quota equal to the percentage specified for such calendar quarter in said Schedule A of his average quarterly use or consumption of fats and oils in such class of use during the corresponding calendar quarters of the base period: *Provided, however,* That any person who manufactured paste water paint, dry casein paint, or dry protein paint, as such in the base period, may, in any calendar quarter, for the sole purpose of manufacturing paint containing not more than one pound of fats and oils per gallon of paint, use a quantity of fats and oils equal to the percentage specified for such calendar quarter in said Schedule A of an amount of fats and oils computed on the basis of one pound of fats and oils for each gallon of his average quarterly production of paste water paint during the corre-



sponding calendar quarters of the base period, and one pound of fats and oils for each eight pounds of his average quarterly production of dry casein or dry protein paint during the corresponding calendar quarters of the base period.

#### SCHEDULE A

Class of use:	Permitted percentage
Manufacture of margarine in any calendar quarter -----	167
Manufacture of other edible finished products, including shortening, in any calendar quarter -----	88
Manufacture of package and bar soap in any calendar quarter -----	90
Manufacture of bulk package soap in any calendar quarter -----	110
Manufacture of abrasive hand soap in any calendar quarter -----	150
Manufacture of paints, varnishes, lacquers, and other protective coatings in any calendar quarter except the calendar quarter beginning on January 1, 1944 -----	60
Manufacture of paints, varnishes, lacquers, and other protective coatings in the calendar quarter beginning on January 1, 1944 -----	70
Manufacture of linoleum, oilcloth (for floor coverings), and felt base floor coverings in any calendar quarter except the calendar quarter beginning on January 1, 1944 -----	60
Manufacture of linoleum, oilcloth (for floor coverings), and felt base floor coverings in the calendar quarter beginning on January 1, 1944 -----	70
Manufacture of oilcloth (for all purposes other than floor coverings) and all other coated fabrics in any calendar quarter except the calendar quarter beginning on January 1, 1944 -----	60
Manufacture of oilcloth (for all purposes other than floor coverings) and all other coated fabrics in the calendar quarter beginning on January 1, 1944 -----	70
Manufacture of paint containing not more than one pound of fats and oils per gallon of paint (by a manufacturer of paste water paint, dry casein paint, or dry protein paint, as such, in the base period), in any calendar quarter except the calendar quarter beginning on January 1, 1944 -----	60
Manufacture of paint containing not more than one pound of fats and oils per gallon of paint (by a manufacturer of paste water paint, dry casein paint, or dry protein paint, as such, in the base period), in the calendar quarter beginning on January 1, 1944 -----	70

(2) If any manufacturer does not, in any calendar quarter, use or consume the quantity of fats and oils permitted by paragraph (b) (1) hereof when computed in accordance with the provisions of this order, the unused part of his quota for such quarter (beginning with the second quarter of 1943) may, for the purposes of paragraph (b) (1), be carried forward and used only in the succeeding calendar quarter and then only after the regular quota for such quarter has been used.

(3) For the purpose of determining the quantity of raw "foots" or "washed, recovered linseed oil" which may be used or consumed, use or consumption shall

be calculated on the basis of total fatty acid content.

(4) The restrictions on the use or consumption of fats and oils imposed hereby are imposed with respect to the use or consumption of fats and oils in the aggregate, and such restrictions are not to be construed to limit a manufacturer to the use or consumption of the same fat or oil used or consumed by him in the base period.

(5) Nothing in paragraph (b) (1) hereof shall restrict:

(i) The use or consumption of fats and oils, in any calendar quarter, by any manufacturer, who was using fats or oils prior to July 1, 1943, and whose total use or consumption of fats and oils in such calendar quarter in classes of use listed under Schedule A hereof is not more than 10,000 pounds, exclusive of fats and oils used or consumed pursuant to the provisions of paragraphs (b) (5) (ii), (iii), (iv), or (v) hereof; or the use or consumption of fats and oils in any calendar quarter by any manufacturer, whose use of fats and oils did not commence until on or after July 1, 1943, and whose total use or consumption of fats and oils in such calendar quarter in classes of use listed under Schedule A hereof is not more than 1000 pounds, exclusive of fats and oils used or consumed pursuant to paragraphs (b) (5) (ii), (iii), (iv), or (v) hereof.

(ii) The use or consumption of fats and oils in the manufacture of the following products, delivered, or contracted for delivery, to the persons, or agencies, and for the specific purposes, if any, listed below:

(a) Any edible product or soap to the Army, Navy, Marine Corps, or Coast Guard of the United States; the Office of Distribution, War Food Administration (including, but not restricted to the Federal Surplus Commodities Corporation); the War Shipping Administration; or the Veterans' Administration;

(b) Any edible product or soap to a contract school in accordance with the provisions of Food Distribution Regulation 2, as amended (8 F.R. 13879), or a ship supplier in accordance with the provisions of Food Distribution Regulation 3 (8 F.R. 13880);

(c) Any soap to any person for the purpose of using such soap in laundering under contract with the Army, Navy, Marine Corps, or Coast Guard of the United States, the War Shipping Administration, the United States Maritime Commission, a ship operator as defined in said Food Distribution Regulation 3, or a contract school as defined in said Food Distribution Regulation 2, as amended; or,

(d) Any finished product to any person for use in the manufacture of any edible product delivered or to be delivered to any of the agencies or persons named in (a) or (b) of this paragraph (b) (5) (ii):

*Provided, however,* That although delivery of a product pursuant to this paragraph (b) (5) (ii) may be made to the

persons or agencies heretofore named in this paragraph through intermediate distributors, any delivery so made through intermediate distributors; or any delivery, direct or otherwise, made to the persons named in (c) or (d) of this paragraph (b) (5) (ii), will not cause the use or consumption of fats and oils in the manufacture of the product so delivered, to be exempt from the provisions of paragraph (b) (1) hereof, unless and until a certificate, or certified copy thereof, is issued, endorsed, and delivered to the person claiming such exemption, in connection with such delivery, as follows: The certificate shall state the name of the person making delivery, or to make delivery, of the final product, the name of the manufacturer of the final product, the amount and kind of final product delivered, or to be delivered, and that the person or agency to which delivery has been, or is to be, made has either received the amount of final product covered by the certificate, or has contracted for such delivery. If delivery has been made, or is to be made, to a person pursuant to (c) of this paragraph (b) (5) (ii), the certificate shall also state the purpose for which the final product covered thereby is to be used. The foregoing certificate shall be signed by an authorized officer, or official, of the agency receiving, or to receive, the final product, or if the final product has been received, or is to be received, by a private person, the certificate shall be signed by such person or his authorized agent. The certificate shall be delivered to the person who made, or is to make, delivery, and such person, if he did not, or will not, manufacture the product covered by the certificate, shall deliver it promptly by mail, or otherwise, to the manufacturer of the final product named thereon. Promptly upon receipt of the certificate the manufacturer of the final product named thereon shall execute and sign an endorsement thereon showing the amount of fats and oils used, or to be used, in the manufacture of the amount of final product covered by the certificate. In addition thereto, if such person used, or is to use, any finished product delivered, or to be delivered, to him pursuant to (d) of this paragraph (b) (5) (ii), in the manufacture of the final product covered by the certificate, he shall set forth in the endorsement the name of the person so supplying, or to supply, him with such finished product and the amount and kind of the finished product delivered, or to be delivered, by such supplier for such purpose. The manufacturer of the final product shall then make a copy of the certificate and endorsement thereon, certified by him to be true and correct, and deliver such copy promptly, by mail, or otherwise, to such supplier. However, the manufacturer of the final product may, in making the copy for any particular supplier, delete the data concerning suppliers other than the supplier to whom the copy is to be delivered, and insert in lieu thereof the following: "Data concerning other suppliers has been deleted." *It is further*



*provided*, That the use or consumption of fats and oils in the manufacture of a finished product to be delivered directly to any agency or person named in (a) or (b), of this paragraph (b) (5) (ii), shall not be exempt from the provisions of (b) (1) hereof, unless and until the person claiming such exemption shall have entered into a contract with such agency or person to deliver such finished product.

(iii) The use or consumption of fats and oils in the manufacture of all protective coatings, coated fabrics, linoleum, oilcloth, and felt base floor coverings, delivered or to be delivered to, or used on or incorporated in material and equipment delivered or to be delivered to, the Army, Navy, Marine Corps, or Coast Guard of the United States, the United States Maritime Commission, or to the War Shipping Administration, or delivered, or to be delivered, pursuant to the Act of March 11, 1941 (Lend-Lease Act), or to be used on a vessel operating under a warrant issued by the United States Maritime Commission or the War Shipping Administration, pursuant to the Act of July 14, 1941 (55 Stat. 591): *Provided, however*, That no fats or oils used or consumed pursuant to the terms of this paragraph (b) (5) (iii) by any manufacturer shall be exempt from such manufacturer's quota under the terms of this order unless, on or before the 15th day of the month succeeding the month in which the fats and oils were so used, he shall mail to the Director a report of such use on Form FDA-523, as amended, or such other forms as the Director may prescribe.

(iv) The use or consumption of fats and oils in the manufacture of edible finished products and soaps to be exported to the Dominion of Canada where such Dominion has granted a license for the importation of such products, or to any other country pursuant to an export license issued by the Foreign Economic Administration.

(v) The use or consumption of fats and oils in the manufacture of protective coatings which are:

(a) Applied to any item of new farm machinery or equipment which is listed in Schedule A of Limitation Order L-257, as amended (8 F.R. 15568), if such protective coatings are applied by the manufacturer of such machinery or equipment, or,

(b) Used as, or in the manufacture of, cans, container closures, closure liners, or linings and liners for cans, if such cans, container closures, closure liners, or linings and liners for cans are used only for the packaging of food, drugs, pharmaceuticals and beverages.

(6) A manufacturer's use or consumption of fats and oils in accordance with the provisions of paragraphs (b) (5) (ii), (iii), (iv), or (v), hereof, shall not be charged against his quota under paragraph (b) (1) hereof, and any fats or oils used or consumed by a manufacturer in the base period for any purpose set forth in paragraphs (b) (5) (ii), (iii), or (v) hereof, or, in the manufacture of edible finished products or soap for

exportation to a foreign country shall be excluded in determining his quota under paragraph (b) (1) hereof.

(7) A person who acquires all the manufacturing facilities of another person in a particular class of use shall thereby become entitled to the quota of such other person in such class of use, whether or not he continues to operate such facilities in whole or in part: *Provided, however*, That he shall within 30 days following such acquisition inform the Director of the facilities acquired, their location, whether or not operation will be continued in the same or another location, and the amount of quota which he claims to have acquired in each class of use.

(8) Fats and oils owned by one person, which are processed by another person, shall be charged against the quota of the owner and not the processor: *Provided, however*, That the title to the product resulting from the processing shall remain in the owner of the fats and oils and such owner shall market the product and shall invoice and collect for such product through his own organization, and the processor shall not buy directly or indirectly any product so produced. Otherwise, such fats and oils shall be chargeable against the quota of the processor.

(9) Notwithstanding the other provisions of this order, any manufacturer may, for the purpose of determining his permissible use of fats and oils in the manufacture, during any calendar quarter, of a particular class of soap set forth in Schedule A hereof, divert a quantity of fats and oils from the average quarterly amount of fats and oils used by him in the corresponding calendar quarters of the base period in the manufacture of another class of soap listed in said Schedule A, to the average quarterly amount of fats and oils used by him in the corresponding quarters of the base period in the manufacture of the class of soap with respect to which the determination is being made: *Provided*, That the total amount so diverted from all classes of soap to other classes of soap, for the purpose of determining the quotas applicable to a particular calendar quarter, shall not exceed 250,000 pounds, and his total permitted use of fats and oils for all classes of soap manufacture in any calendar quarter computed after such diversion or diversions shall not exceed (but may be less than) his total permitted use of fats and oils in the manufacture of soap of all classes when computed prior to such diversion or diversions.

(10) Notwithstanding the other provisions of this order, only 50% of the washed, recovered linseed oil used or consumed by a manufacturer in any calendar quarter in a class of use listed in Schedule A hereof, shall be charged against his quota hereunder for such class of use in such quarter, and only 50% of the washed, recovered linseed oil used or consumed by a manufacturer, in any calendar quarter, in classes of use listed in Schedule A hereof, shall be counted in determining whether the provisions of

paragraph (b) (5) (i) hereof, are applicable to such manufacturer in such quarter.

(c) *Existing contracts*. The restrictions of this order shall be observed without regard to existing contracts or any rights accrued or payments made thereunder.

(d) *Records and reports*. (1) Each manufacturer, other than a soap converter, who, in any calendar quarter, uses or consumes more than a total of 6000 pounds of fats and oils, shall properly fill out and file with the Bureau of the Census, Washington 25, D. C., each of the following reports at the time set forth below:

(i) Bureau of the Census Form BM-1, or such other form or forms as may be prescribed by the Director, for each month of such calendar quarter, on or before the fifteenth day of the month succeeding such month; and

(ii) Bureau of the Census Form BM-2 or such other form or forms as may be prescribed by the Director, for such calendar quarter, on or before the fifteenth day of the second month of the succeeding calendar quarter.

In filling out the foregoing forms the specific instructions contained in any other Food Distribution Order with respect to a particular fat and oil shall be followed. Nothing in this paragraph (d) (1) shall be construed as requiring any person to file more than one form BM-1 for any month, or more than one form BM-2 for any calendar quarter.

(2) The Director shall be entitled to obtain such information from, and require such reports and keeping of such records by, any person, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this order.

(3) Every person subject to this order, shall for at least two years (or for such period of time as the Director may designate), maintain an accurate record of his transactions in fats and oils and keep all certificates and endorsements or copies thereof required by this order to support any claim for quota exemption made by him, including all certificates received by him pursuant to the provisions of said Food Distribution Regulation 2, as amended, and said Food Distribution Regulation 3. All statements contained in such certificates or endorsements shall be deemed representations to an agency of the United States.

(4) The record-keeping and reporting requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. Subsequent record-keeping or reporting requirements will be subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(e) *Audits and inspection*. The Director shall be entitled to make such audit or inspection of the books, records and other writings, premises or stocks of fats and oils of any person, and to make such investigations, as may be necessary or appropriate, in his discre-



tion to the enforcement or administration of the provisions of this order.

(f) *Petition for relief from hardship.* Any person affected by this order who considers that compliance herewith would work an exceptional and unreasonable hardship on him, may file a petition for relief in writing with the Director, addressed as follows: Director of Food Distribution, War Food Administration, Washington 25, D. C., Ref. FDO 42. Such petition shall set forth all pertinent facts and the nature of the relief sought. The Administrator of this order shall then act upon the petition. In the event that the petitioner is dissatisfied with the action taken by the Administrator of this order, he may request a review of such action by the Director whose decision with respect to the relief sought shall be final.

(g) *Violations.* The War Food Administrator may, by suspension order, prohibit any person who violates any provision of this order from receiving, making any deliveries of, or using fats and oils, or any other material subject to priority or allocation control by the War Food Administrator, and may recommend that any such person be prohibited from receiving, making any de-

liveries of, or using materials subject to the priority or allocation control of other governmental agencies. In addition, any person who wilfully violates any provision of this order is guilty of a crime and may be prosecuted under any and all applicable laws. Further, civil action may be instituted to enforce any liability or duty created by, or to enjoin any violation of, any provision of this order.

(h) *Communications.* All reports required to be filed hereunder and all communications concerning this order shall, unless instructions to the contrary are issued by the Director, or otherwise provided herein, be addressed to the Director of Food Distribution, War Food Administration, Washington 25, D. C., Ref. FDO 42.

(i) *Delegation of authority.* The administration of this order and the powers vested in the War Food Administrator, insofar as such powers relate to the administration of this order, are hereby delegated to the Director. The Director is authorized to redelegate any or all of the authority vested in him by this order to any employee of the United States Department of Agriculture.

(j) *Territorial extent.* This order

shall apply only in the forty-eight States of the United States and the District of Columbia.

(k) *Effect of other orders.* Insofar as any other order of the Secretary of Agriculture, the War Food Administrator, or the Director, heretofore or hereafter issued, limits or curtails to a greater extent than herein provided the use, acquisition, or disposition of any fat or oil, the limitations of such other order shall control.

(1) *Effective date.* This amendment shall become effective at 12:01 a. m., e. w. t., March 17, 1944. However, with respect to violations of Food Distribution Order No. 42, as amended, or rights accrued, or liabilities incurred thereunder, prior to said date, said Food Distribution Order No. 42, as amended, shall be deemed in full force and effect for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violation, right, or liability. (E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783)

Issued this 16th day of March 1944.

ASHLEY SELLERS,  
Assistant War Food Administrator.

#### War Food Administration, Summary to FDO 42 Amendment 4.

The War Food Administration has amended Food Distribution Order No. 42 to make several changes in regulations affecting the use of fats and oils.

The Amendment, effective March 17, 1944:

1. Lifts restrictions completely on the use of fats and oils in the manufacture of printing inks, and in the manufacture of protective coatings for specified agricultural equipment (that listed in War

Production Board Order L-257) when applied by the manufacturer.

2. Broadens the exempt use of fats and oils for food, drug, pharmaceutical and beverage container coatings to include the exteriors as well as the interiors. Only interior coatings have been exempt previously.

3. Permits manufacturers using washed recovered linseed oil (residue from the alkali refining of linseed oil) to charge to quota only one-half of the quantity used.

4. Permits soap manufacturers to di-

vert a maximum of 250,000 pounds of fats and oils per calendar quarter from one class of soap uses to another, provided the overall poundage used is not increased.

5. Increases the fats and oils quota for water paint manufacturers from 60 to 70 percent of 1940-1941 for the January, February and March quarter only. Quantities not consumed by March 31 may be carried over into the second calendar quarter.

Several other changes involve minor technical adjustments in the order.



## WAR FOOD ADMINISTRATION

[FDO 42, Amdt. 5]

## PART 1460—FATS AND OILS

## RESTRICTIONS ON USE

Food Distribution Order No. 42, as amended (9 F.R. 2971), § 1460.1, is amended as follows:

By inserting immediately after paragraph (a) (17) thereof the following:

(18) "Margarine" means any substance the manufacture of which is taxable as oleomargarine under the provisions of Chapter 16, of the Internal Revenue Code (53 Stat. 247, *et seq.*), and in

addition thereto, any solid product which is comprised of fats and oils, is packaged in cartons containing not more than two pounds, net weight, is sold by the manufacturer thereof in combination with a coloring and butter flavoring agent, and is principally used in the home for the preparation of a table spread.

This amendment shall become effective at 12:01 a. m., e. w. t., April 11, 1944. However, with respect to violations of Food Distribution Order No. 42, as amended, or rights accrued, or liabilities

incurred thereunder, prior to said date, said Food Distribution Order No. 42, as amended, shall be deemed in full force and effect for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violation, right, or liability.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783)

Issued this 6th day of April 1944.

ASHLEY SELLERS,  
Assistant War Food Administrator

### War Food Administration, Summary to FDO 42 Amendment 5.

The War Food Administration has issued an amendment to Food Distribution Order No. 42 defining margarine to include certain solid fats distributed with coloring and butter flavoring agents which, when mixed together, are used as a home table spread.

The amendment, effective April 11, places the solid fat product in the same

class of use as margarine, and permits manufacturers to use in its making 167 percent of average quantity of fats and oils used for that purpose in 1940 and 1941. Heretofore, products of this type have been classed with shortening which, under FDO No. 42, has a manufacturing quota of 88 percent of average of 1940 and 1941 use.

In the amended order, margarine is defined as any substance, the manufacture

of which is taxable as oleomargarine in accordance with existing Bureau of Internal Revenue standards and "in addition thereto, any solid product which is comprised of fats and oils, is packaged in cartons containing not more than two pounds, net weight, is sold by the manufacturer thereof in combination with a coloring and butter flavoring agent, and is principally used in the home for the preparation of a table spread."

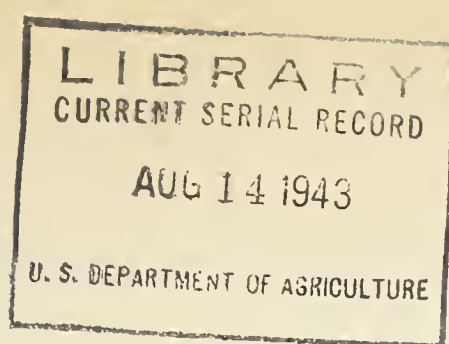
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FDO 42-1

JULY 23, 1943

# WAR FOOD ADMINISTRATION

[FDO 42-1]

## PART 1460—FATS AND OILS

### REPORTS ON CONSUMPTION AND APPLICATIONS FOR QUOTA EXEMPTIONS

Pursuant to the authority vested in me by Food Distribution Order 42, as amended, dated July 10, 1943 (8 F.R. 9483), and to effectuate the purposes of said order, *It is hereby ordered*, as follows:

§ 1460.19 *Reports on consumption of fats and oils and applications for quota exemptions.* (a) Every person subject to the quota restrictions prescribed by § 1460.1 (b) of Food Distribution Order 42, as amended, and Schedule A annexed thereto, shall, on or before July 31, 1943, file a report of his consumption of fats and oils in each quarter of 1940 and 1941,

with the Chief, Fats and Oils Branch, Food Distribution Administration, War Food Administration, Washington 25, D. C., Ref: FD-42. Such report shall be filed on Form FDO-42-1 in accordance with instructions printed on such form. Form FDO-42-1 may be obtained from the Chief, Fats and Oils Branch, Food Distribution Administration, War Food Administration, Washington 25, D. C., Ref: FD-42.

(b) Any person required to file Form FDA-478 under the provisions of § 1460.1 (b) (5) (iii) of Food Distribution Order 42, as amended, shall file in lieu thereof Form FDA-523. Unless otherwise ordered by the Director, Form FDA-523 shall be filled out in triplicate and filed with the Chief of the Fats and Oils Branch, Food Distribution Administration, War Food Administration, Washington 25, D. C., on or before the 15th

day of the month following the month in which the fats or oils were used for which exemptions are claimed, except that applications for June 1943 exemptions will be received until July 31, 1943. Form FDA-523 may be obtained from the regional offices of the Food Distribution Administration.

(c) The reporting requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

(d) This order shall become effective 12:01 a. m. e. w. t., July 27, 1943.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; FDO 42, 8 F.R. 9483)

Issued this 23d day of July 1943.

ROY F. HENDRICKSON,  
*Director of Food Distribution.*

Press Release, Immediate:  
July 24, 1943

The War Food Administration has issued a directive with respect to reporting on Food Distribution Order No. 42, the general order on fats and oils.

The directive provides that each person subject to the quota restrictions of Schedule A of that order file on or before July 31 a report of his consumption of

fats and oils in each quarter of 1940 and 1941 with the Chief, Fats and Oils Branch, Food Distribution Administration, Washington 25, D. C., on Form FDO-42-1.

The directive also provides that those persons required to file War Food Administration Form FDA-478 (substituted for WPB Form PD-600) in applying for exemptions in the use of drying oils under section 1460 (b) (5) (iii) shall now use Form FDA-523 instead.

Copies of Form FDO-42-1 may be obtained from the regional offices of Food Distribution Administration immediately. Form FDA-523 is in preparation and will be available at the regional offices on or about July 31.

Address requests for these forms to the regional FDA offices in New York City, Atlanta, Chicago, Des Moines, Dallas, San Francisco, or Denver.





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cap. 1

FORM FDO-42-1

U. S. DEPARTMENT OF AGRICULTURE  
Food Distribution Administration

Form Approved  
Bureau of Budget No. 40-4374

REPORT OF USE OF FATS AND OILS IN BASE PERIOD (1940 AND 1941)  
OF DETERMINING QUOTA UNDER ORDER FDO-42

LIBRARY  
CURRENT SERIAL RECORD

JAN 6 - 1944



U. S. DEPARTMENT OF AGRICULTURE

Name of Company \_\_\_\_\_

Signature of Authorized Official \_\_\_\_\_

Address \_\_\_\_\_

Title or Position \_\_\_\_\_

Report on \_\_\_\_\_

Name or class of product

Date \_\_\_\_\_

Prepare and file with the Fats and Oils Branch, Food Distribution Administration, Washington, D. C., a separate report for each product or class of products manufactured by you which is subject to FDO-42. Before filling in, read instructions on back of this form.

	Jan.-Mar. (pounds)	April-June (pounds)	July-Sept. (pounds)	Oct.-Dec. (pounds)
1940				
Total primary fats and oils consumed				
Fat and oil derivatives consumed in product				
Oil content of materials purchased from other manufacturers and used in your end-product				
Total fats and oils used				
Less Deductions:				
Oil content of products sold to other manufacturers subject to FDO-42 for use in their end-products				
Fats and oils used in manufacture of products exempted under FDO-42				
Total deductions				
Net consumption in 1940				
1941				
Total primary fats and oils consumed				
Fat and oil derivatives consumed in product				
Oil content of materials purchased from other manufacturers and used in your end-product				
Total fats and oils used				
Less Deductions:				
Oil content of products sold to other manufacturers subject to FDO-42 for use in their end-products				
Fats and oils used in manufacture of products exempted under FDO-42				
Total deductions				
Net consumption in 1941				
Average net consumption for 1940 and 1941				

Section 35 (A) of the United States Criminal Code, 18 U.S.C. Sec. 80, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

## INSTRUCTIONS

1. Your report should represent plants now operated by you on which you wish to determine your quota. If you have acquired plants which were under a different ownership in 1940 or 1941, the consumption of fats and oils by such plants in 1940 and 1941 should be included. If you have sold plants which you owned in 1940 or 1941, the consumption of fats and oils of such plants should be excluded.

2. The classes of products subject to FDO-42 as given in Schedule A with the permitted percentages are as follows:

<u>Class of use</u>	<u>Permitted percentage</u>
Manufacture of margarine.....	180
Manufacture of other edible finished products, including shortening.....	88
Manufacture of soap, exclusive of soap made from domestic vegetable oil foots or the fatty acids from such foots.....	84
Manufacture of soap from foots made from domestic vegetable oils or the fatty acids from such foots.....	100
Manufacture of paints, varnishes, lacquers and all other protective coatings, except water paints.....	50
Manufacture of water paints (on the basis of one pound of oil for each gallon of paste water paint manufactured during the base period and one pound of oil for each eight pounds of dry casein or dry protein paint manufactured during the base period).....	50
Manufacture of linoleum, oilcloth, and felt base floor coverings.....	50
Manufacture of oilcloth (for all purposes other than floor coverings) and all other coated fabrics.....	50
Manufacture of printing inks, including lithographing, offset, silk screen, and other processing inks.....	90
Prepare a separate report for each of the above class of product that you manufacture.	

3. As defined by the order, fats and oils include "all the raw, crude, refined and pressed fats and oils, whether vegetable, animal, fish or other marine animal, their by-products and derivatives, including grease (lard) oil, sulphonated and similar processed fats and oils, fatty acids and lard and rendered pork fat, but not including cocoa butter, butter, wool greases, essential oils, tall oil, mineral oils, and vitamin-bearing oils derived from fish or other marine animal livers or viscera." In reporting primary fats and oils, follow the same practice as in reporting to the Bureau of the Census on BM-1 and BM-2.

4. Under the order, a manufacturer is entitled to deduct from his current consumption, as not subject to his quota, the oil content of any of his product sold to another manufacturer, also subject to the order, for incorporation in a finished product. For example, a varnish manufacturer may deduct the oil content of varnishes sold to a paint manufacturer to be incorporated in paint or other finished products. Accordingly, the oil content of such sales should be deducted in the base period. Likewise, a manufacturer is required to consider as part of his quota the oil content of any product purchased by him and used as a component of his finished product. The paint manufacturer in the above example should consider the oil content of the varnish purchased by him as a part of his quota.

5. The exemptions under the order are set forth in paragraph b (5) of FDO-42. Fats and oils consumed for products which are exempted under the order should be deducted from the base period.

6. Wherever possible the amounts reported should be based upon records. If estimates are necessary, the reporting company should attach a statement explaining the basis on which the estimates were made.

7. If you have sold or purchased plants since the base period or have been granted an exception on an appeal under the special hardship clause with respect to the basis of determining your quota, attach a statement giving a brief summary of pertinent facts.

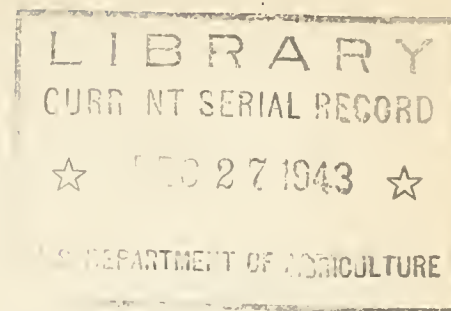
8. Retain a duplicate copy of your report for your own files.



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**FDO 42-1**

AMDT. 1  
DEC. 15, 1943



# WAR FOOD ADMINISTRATION

<p>A [FDO 42-1, Amdt. 1] PART 1460—FATS AND OILS REPORTS ON CONSUMPTION AND APPLICATIONS FOR QUOTA EXEMPTIONS Food Distribution Order 42-1, § 1460.19 (8 F.R. 10389), is amended as follows: 1. By inserting after the phrase "Form</p>	<p>FDA-523" wherever it appears the following: "(Revised)." 2. By deleting the word "triplicate" in paragraph (b) and inserting in lieu thereof the word "duplicate." This amendment shall become effective December 17, 1943.</p>	<p>(FDO 42, 8 F.R. 13970; E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783) Issued this 15th day of December, 1943. C. W. KITCHEN, Acting Director of Food Distribution.</p>
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## War Food Administration, Summary to DFDO 42-1 Amendment 1

Simplified procedure by which manufacturers may apply for exemptions from quota restrictions in the industrial use of fats and oils under Food Distribution Order No. 42 has been announced by the War Food Administration.

A change in the application form, effective December 17, 1943, necessitates the recording of only the quantities of oil involved, and a certification that they were used in products manufactured for Government procurement agencies which are exempt under the regulations. This

form is to be used in reporting the use of fats and oils in the manufacture of protective coatings, coated fabrics, linoleum, oilcloth and felt-base floor covering.

The exempt agencies, as well as some Government procurement groups which are not exempt, are listed on the back of the form, FDA 523 (Revised). In cases where the exemption is doubtful, a request should be filed with the Food Distribution Administration for an interpretation before the claim is filed, it was pointed out.

Heretofore, manufacturers seeking

quota exemptions have been required to provide detailed information on the kinds and quantities of oils used, names of the manufactured products and their end uses, names of the procurement agencies, and the contract numbers.

The new form is to be filed in duplicate and postmarked not later than the 15th of the month following use of the oils claimed exempt. If received by the Food Distribution Administration after that date, the claim will be denied. The duplicate will be returned to the manufacturer, bearing the date upon which it was received by FDA.





WAR FOOD ADMINISTRATION  
OFFICE OF DISTRIBUTION  
COMPLIANCE BRANCH

SYNOPSIS FOR USE IN MAKING ACCOUNTING INVESTIGATIONS -

APRIL 1, 1944

FOOD DISTRIBUTION ORDER NO. 42 - FATS AND OILS

The auditor should familiarize himself with the following orders, regulations, and amendments:

	<u>Issued</u>	<u>Effective</u>
FDO 42	March 31, 1943	April 1, 1943
FDO 42 - Amendment 1	July 10, 1943	July 10, 1943
FDO 42 - Amendment 2	October 11, 1943	October 14, 1943
FDO 42 - Amendment 3	February 10, 1944	February 10, 1944
FDO 42 - Amendment 4	March 16, 1944	March 17, 1944
FDO 42 - 1	July 23, 1943	July 27, 1943
FDO 42-1 - Amendment 1	December 15, 1943	December 17, 1943
FD Reg. 2	June 4, 1943	June 15, 1943
FD Reg. 2 - Amendment 1	October 8, 1943	November 15, 1943
FD Reg. 2 - Amendment 2	November 15, 1943	December 1, 1943
FD Reg. 2-1	January 8, 1944	January 1, 1944
FDR 3	October 8, 1943	November 15, 1943
FDR 3 - Amendment 1	November 15, 1943	November 15, 1943
Reg. 3-1	January 8, 1944	January 1, 1944

Note - The orders, regulations and amendments listed above concern the general order, FDO 42, and General Preference Order M-71, covering Fats and Oils. Twenty-five special orders concerning individual commodities or groups of fats and oils are listed in Appendix Exhibit A, and their chief provisions in Appendix Exhibit B.

Authority for Making the Audit - (FDO 42, Amendment 1, Sec. 1460.1 (h).)

"The Director shall be entitled to make such audit or inspection of the books, records and other writings, premises or stocks of fats and oils of any person, and to make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this order."

Objectives of the Audit

To ascertain the nature and degree of subject's compliance with provisions of the order requiring the subject:

- (1) To restrict his use or consumption of fats and oils to specified percentages, according to definite classes of use, of his recorded use in a given base period.

- (a) The permissible percentages of current consumption for each indicated class of use in each period are tabulated in Appendix Exhibit C, including those for the preceding Conservation Order M-71. (Note also special use schedules provided in FDO 60, Amendment 1, Sec. 1460.16 (c) for fish oil.)
- (b)(i) The base period use for calculating quotas under FDO 42 and its Amendments 1 and 2 is "the average use during the corresponding calendar quarter of the years 1940 and 1941" (Sec. 1460.1 (a)(9).)
- (b)(ii) Note that, for determining quotas, any amounts of fats and oils should be excluded from the base period use which were employed during that base period for the various exempt purposes listed in FDO 42, Sec. 1460.1 (b)(6).
- (c)(i) A different type of base under General Preference Order M-71, Sec. 1053 (c)(1, 2), effective December 29, 1941, restricted purchases and inventories of fats and oils as there delimited.
- (c)(ii) In M-71, Amendment 1, Sec. 1053.1 (2)(c)(2), effective January 24, 1942, was substituted a new "practicable minimum working inventory" basis.
- (c)(iii) The M-71 order as amended September 22, 1942, (Sec. 1053.1 (b)(1, 2), set up a base resembling the base for FDO 42. For the four-month period, September 1, 1942, to December 31, 1942, a manufacturer's base was to be "one-half of his total use or consumption of fats or oils in such class of use during the eight months, September 1 to December 31, 1940. and September 1 to December 31, 1941." (The permitted percentages of use by the several classes of use are displayed in Appendix Exhibit C.)
- (d) Under FDO 42, Sec. 1460.1 (b)(5)(i), note exclusion from restrictions of any manufacturer whose use or consumption of fats and oils in any calendar quarter is less than 6,000 pounds.

Amendment 1 (b)(5)(i), effective July 10, 1943, allowed this quarterly 6,000-pound exemption only to "any manufacturer who was using fats and oils prior to July 1, 1943;" and it introduced the exemption of "any manufacturer whose use of fats and oils did not start until



on or after July 1, 1943, and whose aggregate use or consumption of fats and oils in such period is less than 1,000 pounds."

In Amendment 2, effective October 14, 1943, the 6,000-pound-per-quarter exemption for manufacturers using fats and oils prior to July 1, 1943, was increased to 10,000 pounds, which change, however, did not alter reporting requirements.

In Amendment 4 (b)(5)(i), both the 10,000-pound and 1,000-pound quarterly exemptions were further qualified so that the quota-exempt minimum uses were taken as excluding fats and oils used in supplying the needs of the Armed Forces and other designated agencies and specifically permitted uses listed in (b)(5)(ii, iii, iv, v). Also these exemptions of 10,000 pounds and 1,000 pounds in Amendment 4 were for Schedule A uses instead of aggregate use previously provided.

- (e) Listing of products specifically defined as not constituting finished products will bear inspection. See paragraph (a)(5) of Amendment 4 and definition of finished products in previous orders. Mayonnaise and salad dressing were specifically included under the provisions of M-71 as amended September 22, 1942, and further amendments; but they were specifically excluded under FDO 42, Sec. 1460.1 (a)(7) and thereafter,
- (f) Special provisions concerning quota carry-over and other aspects of quotas are displayed in a special section toward the close of this outline.
- (g) A manufacturer is given some freedom of choice or of substitution in the use of fats and oils within the aggregate or overall limitations of the order (FDO 42, Sec. 1460.1 (b)(4)). However, paragraph (e) of the order lists various fats and oils whose use was prohibited for manufacturing certain types of products. These restrictions were amended by Amendment 1 and eliminated in Amendment 2. (Note - Certain forbidden uses for specified fats and oils appear in FDO 29, Amendments 4 and 6, and in FDO 34d, 43b, 53 Amendment 2.)
- (h) Restrictive provisions applying to individual fats or oils or to related groups of them are stated in the food distribution orders listed in Appendix Exhibit A.

The detailed requirements of these orders are too extensive and varied to permit of even summarizing them here. However, some of the chief provisions are listed in Appendix Exhibit B, which see.

- (i) Note in Amendment 4 (b)(10) a special provision permitting a manufacturer to charge against his quota only 50 per cent of his use of washed recovered linseed oil for Schedule A uses.
- (2) To restrict his acceptance of deliveries of fats and oils for his raw material inventory to the point of maintaining "a practicable working minimum inventory." (Amendment 2 of FDO 42, effective October 14, 1943, removed these restrictions on processing and inventories "because controls exercised by other Food Distribution Orders governing individual oils make such provisions in FDO 42 unnecessary.")
  - (a) Note that this provision provides exception for fats and oils in the first crude stages of extraction. (FDO 42, Sec. 1460.1 (d)(1); Amendment 1 (c)(1).)
  - (b) A manufacturer's inventory includes besides "all fats and oils held or controlled by him" those "purchased by him for future delivery." (FDO 42, Sec. 1460.1 (a)(4); Amendment 1 (a)(4).)
  - (c) Further limitations on inventories of fats and oils appear in FDO 53, Amendments 1 and 3, FDO 67, 86, 87.
- (3) To restrict his processing of fats and oils in his raw materials inventory
  - (a) to the amount necessary to prevent deterioration that would occur if the raw materials were left in their prior condition. (FDO 42, Sec. 1460.1 (d)(2); Amendment 1 (c)(2).)
  - (b) to the extent which will permit of meeting his schedule of deliveries of finished products allowable within the limitations of the order while maintaining a "practicable minimum working inventory." (FDO 42, Sec. 1460.1 (d)(3); Amendment 1 (c)(3).)

(Note - Additional limitations on processing individual commodities or groups appear in the food orders listed under section (iii) of Appendix Exhibit B.)



- (4) To restrict his deliveries of linseed oil, to others than manufacturers, during any calendar quarter, to 50 percent of the average quarterly amount of such deliveries made by him during the corresponding calendar quarters of 1940 and 1941. (FDO 42, Sec. 1460.1 (c); see also FDO 63, Sec. 1460.20 (b), (c), and Amendment 2.)
  - (a) Note that such restriction does not apply to deliveries to the Armed Services or other designated agencies, (FDO 42, Sec. 1460.1 (c)(3).)
  - (b) Discriminatory cuts as between customers are prohibited. (FDO 42, Sec. 1460.1 (c)(3).) However, a recent opinion of the Solicitor's Office states that a provision of a food distribution order requiring "equitable distribution" is probably not enforceable at law. This phase may be ignored in the audit.
  - (c) Note fully details set forth in FDO 63 and its amendments. Also, quota delivery of linseed oil allowed 80% of base period use under M-71 as amended September 22, 1942 (Sec. 1053.1 (c)).
- (5) To obtain and preserve certificates of specified form, properly executed and signed, in support of quota-exempt sales. (See Amendment 4(d)(3).)
  - (a) Under provisions of FDO 42, Sec. 1460.1 (b)(5), fats and oils in edible products or soap may be sold free from the quota restrictions of this order, if under proper certificate, to the agencies listed herewith. Note the required contents of such certificates specified in (b)(5)(ii)(j) and the officials whose signatures should approve or validate each agency's certificates. Amendment 2, (b)(5) following (k), changes the method of certification so that the manufacturer, instead of the using agency, becomes responsible for recording the quantity of fats and oils used. Amendment 2 also specifies that such sales to designated agencies shall not be quota-exempt "unless and until the person claiming exemption shall have entered into a contract with such agency to deliver such finished product" (b)(5)(ii) following (k).
    - (i) The United States Army, Navy, Coast Guard and Marine Corps. (Note that post exchanges and ship service stores were included only if outside the

continental United States until Amendment 2 of October 11, 1943, since which date all post exchanges and ship service stores are considered part of the Army and Navy. For purposes of this order, Alaska is not part of the continental United States as indicated by Administrator's Office.)

- (ii) The War Shipping Administration,
  - (iii) The Panama Railroad Company (this exemption was eliminated from Amendment 4, effective March 17, 1944),
  - (iv) The Veterans Administration (added under Amendment 1, effective July 10, 1943),
  - (v) The Food Distribution Administration (Office of Distribution) for export or to any U. S. territory or possession. (Inclusion of Federal Surplus Commodities Corporation was mentioned under Amendment 1, July 10, 1943.)
  - (vi) (No certificates are required to cover quota-exempt sales of fats and oils in edible finished products and soaps in cases where the Dominion of Canada has granted a license for import of such products or where any other country imports under an export license issued by the Foreign Economic Administration. See Amendment 2 (b)(5)(iv), effective October 14, 1943.)
- (b) Amendment 4 (b)(5)(v) provides quota exemption, without certificates, in the manufacture of certain protective coatings for specified uses.
- (c) Note that intermediate processors, handlers and suppliers may share in such exemptions of edible products or soap from quotas (FDO 42):
- (i) persons feeding under contract (directly or indirectly) personnel of the Armed Services (b)(5)(ii)(h),
  - (ii) wholesalers or jobbers for delivery to the agencies listed above or a manufacturer selling to another producer for making an edible product for such agencies (b)(5)(ii)(g, j),



(iii) users of edible products in preparing meals to be served on vessels operated under the War Shipping Administration (b)(5)(ii)(i), (or by the United States Maritime Commission as provided in Amendment 1),

(iv) launderers working under contract for the Armed forces and other designated agencies; soap, only, is quota-exempt. (Added in Amendment 2 (b)(5)(j), effective October 14, 1943.)

(v) sales of soap, only, to the Maritime Commission.

(Note) - Certified copies of such certificates are to be furnished by a prime contractor to the person supplying him; and these certified copies will move through trade channels to the materials manufacturer named thereon. Under Amendment 4 (b)(5)(ii) a certificate properly signed by an authorized official of the quota-exempt designated agency shall pass through the hands of intermediate distributors to the manufacturer of the final product named therein, who will endorse on such certificate the quantity of fats and oils used.

(d) Under provisions of F. D. Regulations 2 and 3 and their amendments, sales of fats and oils products as "restricted foods" may be made to contract schools and to ship operators and licensed ship suppliers, provided that required forms of certificate accompany the transactions.

(i) For contract schools, see F. D. Reg. 2, Sec. 1598.1 (a)(1, 5), (c), (f); FDR 2 Amendment 1 (a)(1, 4), (b), (c).

(ii) For ship operators, see F. D. Reg. 2, Sec. 1598.1 (a)(3, 5), (d)(e)(f).

(iii) For licensed ship suppliers, see FDR 3, Sec. 1598.7; Reg. 3, Amendment 1; Reg. 3-1.

(e) (Note that certificates properly executed must accompany certain quota-exempt or restriction-exempt deliveries of minimum quantities under FDO 31, 32, 34, 35, 39, 53, 60, 76, 87 and under General Preference Order M-71, paragraph (f).)

(6) To make required reports and to support them with the proper records.

(a) Reports were to be filed by July 31, 1943, showing quarterly consumption of fats and oils in 1940 and 1941 to establish quota bases. (FDO 42-1, Sec. 1460.19 (a).)

(b) Each manufacturer of more than 6,000 pounds of fats and oils in the aggregate has certain monthly and quarterly reports to file showing consumption and has records to preserve in support of the reports (FDO 42, Sec. 1460.1, (g); Amendment 1 (f), with change of reporting date; Amendment 2 (d); Amendment 4 (d)(i).

(c) Manufacturers using fats and oils in the production of all protective coatings, coated fabrics, linoleum, oil cloth and felt base floor coverings are to file specified reports in support of their claimed exemption on sales to government designated agencies. (FDO 42, Sec. 1460.1, (b)(5)(iii); Amendment 1 (b)(5)(iii); FDO 42-1, Sec. 1460.19 (b); FDO 42-1, Amendment 1.) The method of reporting was changed in Amendment 1 (b)(5)(iii).

(d) The various food orders listed in Appendix Exhibit A have their several provisions for reports and records pertaining to the specified commodities or groups.

(7) To observe any set-aside requirements.

FDO 42 does not require the setting aside of fats and oils. However, there are set-aside provisions in the following orders:

FDO 38 Palm oil (M-59)  
FDO 43 Cocoanut and other high lauric acid oils (M-60)  
FDO 46 Cocoanut, babassu and palm kernel oils (M-60-a)  
FDO 53 Saponified red oil  
FDO 56, 57 Raw linseed oil

#### General Restrictive Provision

In FDO 42, paragraph (1) provides that any other food order which limits or curtails to a greater extent than provided in this order, shall control. General Preference Order M-71 had a like provision in paragraph (g), which was repeated in its subsequent amendments. Consequently, the auditor will be alert to the possibility that the more stringent provisions of an order governing an individual commodity may control over the requirements of the general order. (See Appendix Exhibit A for list of related orders.)



### Restrictions of Earlier Periods

Numerous provisions found in FDO 42 were carried forward from General Preference Order M-71. A study of its provisions and those of its amendments may help in appraising situations existing under provisions of the current order. Amendments were issued for M-71 on January 24, 1942, September 22, 1942, October 27, 1942, November 24, 1942, December 17, 1942, January 7, 1943.

### Scope of the Audit

The audit should be extended to cover not only the manufacturer's observance of restrictions upon his receipts, inventories, use and deliveries, but also the methods and procedure followed in calculating his quota base and quota. Quantities of items should be checked which were, or should have been, excluded from base period totals because of non-restricted or non-includable character. Deductions should be proved for similar items in the quota periods. Sound accounting principles should be applied in proving that subject's receipts, processing and deliveries remained within the limits provided by the order, that non-quota sales to exempt governmental agencies were properly certified, and other accounting proof. This would include the proper verification or reconciliation of such transactions with the general books.

### Special Notes on Manufacturer's Use Quotas for Fats and Oils

#### (a) Whose quota is to be charged?

- (i) Under the provisions of General Preference Order M-71 it was made clear by administrative interpretation that the quota of the "ultimate manufacturer" of the "finished product" is to be charged when a partly processed or intermediate type of product is sold by one manufacturer to another for further processing.
- (ii) Toll agreement processing is chargeable to the quota of the owner of the fats and oils processed. (FDO 42 (b)(8); Amendment 1 (b)(8). Note the restrictions.

#### (b) Change of ownership of processing facilities

Purchase of all the facilities of another person in a particular class of use entitles the purchaser to the quota of the former owner under specified conditions (FDO 42, Sec. 1460.1 (b)(7).)

(c) Carry-over of quarterly quota

In FDO 42 and the predecessor M-71 (as amended September 22, 1942, and subsequently) it was provided that the currently unused portion of a person's use quota for purposes of paragraph (b)(1) of the order might be carried forward to succeeding quarters, with accumulated carry-overs cancelled at each June 30.

Effective July 10, 1943, with Amendment 1, Sec. 1460.1 (b)(2), and subsequently, a person may carry forward the unused portion of such quota to use it only in the succeeding quota, and then only after the regular quota for such quarter has been used. FDO 42, Amendment 4 (b)(2) made this latter provision effective "beginning with the second quarter of 1943." (Similar provisions are included in FDO 78, Sec. 1460.29 (e) and FDO 89, Sec. 1460.32 (e).)

(d) Exclusions from quota base

In determining a manufacturer's permissible use or consumption under paragraph (b)(1) of FDO 42, certain exclusions are provided for articles manufactured by a prime contractor for delivery to the Armed Services or for "lend-lease" or other export. "Implements of war" was defined in M-71 (as amended October 27, 1942, (a)(6)) as including "combat end-products, complete for tactical operations" but not including "facilities or equipment used to manufacture" such items. Such manufacture of "implements of war" was excepted from quota restrictions (b)(6)(iv) and similar use was excluded from use calculations during the base period (b)(7). Similar provisions are stated in FDO 42, Sec. 1460.1 (b)(6) and confirmed in its amendments. Amendment 4 (b)(5v, 6) broadens the list of uses to be excluded when calculating the quota base.

A special interpretation by the Order Administrator declared that "the oil used in manufacturing paint delivered during the base period to a steamship line not operated by War Shipping Administration should be included in the calculation of the quota base period use even though the steamship line might now be operated by War Shipping and the oil content of material furnished now be exempt from quota."



APPENDIX EXHIBIT A  
LIST OF FOOD ORDERS DEALING WITH INDIVIDUAL  
COMMODITIES OR GROUPS, IN FATS AND OILS  
(MANY ORDERS HAVE AMENDMENTS NOT LISTED HEREWITH)

A. Orders restricting purchase, sale and delivery, use, and/or processing of commodities.

FDO 14 - Peanut oil  
FDO 29 - Cottonseed, peanut, soybean, and corn oil  
FDO 31 - Oiticica, cacahuananche and laceta oils (M-238)  
FDO 32 - Castor oil (M-235)  
FDO 34 - Glycerine (M-58)  
FDO 35 - Rapeseed and mustard seed oils (M-77)  
FDO 36 - Cashew nut shell liquid (M-66)  
FDO 37 - Sperm oil (M-40)  
FDO 38 - Palm oil (M-59)  
FDO 39 - Tung oil (M-57)  
FDO 43 - Cocoanut, babassu, palm kernel, and other high lauric acid oils (M-60)  
FDO 53 - Animal oil, neat's-foot oil, and red oil  
FDO 60 - Fish oil  
FDO 63 - Linseed oil (supersedes paragraph (c) of FDO 42)  
FDO 67 - Inedible tallow or grease  
FDO 76 - Wool fat  
FDO 78 - Peanuts and peanut butter  
FDO 89 - Peanuts and peanut butter

B. Set-aside orders and inventory limitation.

FDO 46 - Cocoanut, babassu and palm kernel oils, set-aside (M-60-a)  
FDO 56 - Raw linseed oil set aside  
FDO 57 - Raw linseed, inventories of set aside  
FDO 59 - Crude fish oil, set aside  
FDO 87 - Fatty acids, inventories of

C. Miscellaneous orders.

FDO 33 - Required recovery of glycerine (M-193)  
FDO 86 - Soap, manufacture and distribution of

APPENDIX EXHIBIT B  
TYPICAL PROVISIONS OF FOOD ORDERS RELATED TO FDO 42

Some of the chief provisions are these:

- (i) Many fats and oils, under the several orders and their amendments, may be delivered, acquired, processed or used in manufacture only as specifically authorized or directed by the Director. (See FDO 29, 31, 32, 34, 35, 36, 37, 38, 39, 53, 60, 63, 67, 76.)
- (ii) In some orders, the Director may specify what grades of products may be manufactured. (See FDO 31, 32, 34, 35, 39, 53, 86.)
- (iii) Specific instructions or standards are given concerning the processing of certain fats and oils, or schedules of exempt and restricted uses are provided. (See FDO 31, 33, 34 Amend. 2, 36, 37, 38, 43, 46, 53 Amend. 2, 60 Amend. 1 and 2, 78, 86, 89.)
- (iv) Certain forbidden uses for specified fats and oils are included. (See FDO 29 Amend. 4, 34d, 43b, 53 Amend. 2.)
- (v) Definite applications must be made to obtain authorization to handle, process or use certain types of fats and oils. (See FDO 29, 31-1, 32, 34, 35, 36, 37, 39, 53, 60, 67, 76.)
- (vi) No diversion from a stated use is permitted. Remainder quantities of specified fats and oils which the Director had authorized for a definite use or purpose must revert to inventories and await further authorization. (See FDO 29, 31, 32, 34, 35, 39, 53, 76.)
- (vii) Certificates properly executed must accompany certain exempt deliveries of minimum quantities. (See FDO 31, 32, 34, 35, 39, 53, 60, 76, 87.)
- (viii) Inventory limitations occur in some orders. (See FDO 53 Amends. 1 and 3, 37, 86, 87.)
- (ix) Delivery limitation on a quota basis or on priority. (See FDO 63, 67.)
- (x) Set-aside provisions occur in a few orders. (See FDO 38d (M-59), 43f (M-60), 46, 53 Amend. 2, 56, 57, 59.)



- (xi) Intra-company deliveries are restricted. (See FDO 29, 31, 32, 34, 35, 36, 37, 38, 39, 43, 46, 53, 63, 67.)
- (xii) Certain provisions of some orders have been suspended temporarily (S) or terminated (T). (See FDO 14(T), 29(S), 31(S), 32(S), 34(S), 36(S), 46(T), 53(S), 56(T), 57(T), 59(T), 78(s).)
- (xiii) Persons in non-compliance through failure to file required reports are forbidden to accept deliveries. (See FDO 31, 32).

# APPENDIX EXHIBIT C

## Permitted Percentages of Manufacture by Classes of Use by Base Period

Controlling Order:		11-71 Amendments				FDO 42 and Amendments			
		Admt.	Admt.	Admt.	Admt.	FDO 42 Admt.			
Effective Date:		Sept. 1 1942	Oct. 27 1942	Nov. 24 1942	Jan. 1 1943	Apr. 1 July 10 Oct. 14 Feb. 10 Mar. 17 1943 1943 1944 1944			
Quota Base Applicable:		A*	A*	B*	B	B	B	B	B
Class of Use - Manufacture of									
A - Margarine		110	110	110	180	180	167	167	167
B - Other edible finished products		90	88	88	88	88	88	88	88
C - Soap (exclusive of soap from domestic vegetable oil foots, etc.)		90	88	88	84	84	80	(See below)	(See below)
D - Soap (from foots of domestic vegetable oils or their fatty acids)		119	150	150	150	100	80	(See below)	(See below)
E - Paints, varnishes, lacquers, and all other protective coatings		80	70	70	70	50	50	60	70
F - Linoleum, oil cloth, etc.)						(50	50	60	70
G - Oil cloth (for purposes other than floor coverings), coated fabrics)		70	70	70	70	(50	50	60	70
H - Printing inks		90	90	90	90	90	90	90	90
I - Enamels and coatings for metal food containers, closures, and liners		-	--	-	-	-	100	(Back into paints, etc.)	
J - Package and bar soap )		-	-	-	-	-	-	90	90
K - Bulk package soap ) (Note F)		-	-	-	-	-	-	110	110
L - Abrasive hand soap )		-	-	-	-	-	-	150	150

\*Base A - 11-71 as amended Sept. 22, 1942, Sec. 1053.1 (b) (1): "one-half of his total use or consumption of fats or oils in such class of use during the eight months Sept. 1 to Dec. 31, 1940, and Sept. 1 to Dec. 31, 1941."

\*Base B - FDO 42, Sec. 1460.1 (a) (9) and Amendments 1 and 2: "the average use during the corresponding calendar quarter of the years 1940 and 1941."

Note C - In the calendar quarter beginning January 1, 1944, 70%; in subsequent quarters, 60%.

Note D - Restrictions entirely removed.

Note E - See FDO 42, Amendment 4, (b) (1), special provisions.

Note F - See Amendment 4 (b) (9).

General Note - See Amendment 4(b) (5, 10) for special exemptions in use of washed recovered linseed oil and exemptions in making can coatings and agricultural implements. (Effective March 17, 1944.)